

104TH CONGRESS  
1ST SESSION

# S. 1117

To repeal AFDC and establish the Work First Plan, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 3 (legislative day, JULY 10), 1995

Mr. DASCHLE (for himself, Mr. BREAU, Ms. MIKULSKI, Mr. ROCKEFELLER, Mr. REID, Mr. KERREY, Mr. FORD, Mr. DORGAN, Mr. DODD, Mr. KERRY, Mr. LIEBERMAN, Mr. CONRAD, Mr. BINGAMAN, Mr. BRYAN, Mr. INOUE, and Mr. ROBB) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To repeal AFDC and establish the Work First Plan, and  
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Work First Act of  
5 1995”.

### 6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Amendment of the Social Security Act.

TITLE I—TEMPORARY EMPLOYMENT ASSISTANCE

Sec. 101. State plan.

## TITLE II—WORK FIRST EMPLOYMENT BLOCK GRANT

Sec. 201. Work first employment block grant.

Sec. 202. Consolidation and streamlining of services.

Sec. 203. Job creation.

## TITLE III—SUPPORTING WORK

Sec. 301. Extension of transitional medicaid benefits.

Sec. 302. Consolidated child care development block grant.

## TITLE IV—ENDING THE CYCLE OF INTERGENERATIONAL DEPENDENCY

Sec. 401. Supervised living arrangements for minors.

Sec. 402. Reinforcing families.

Sec. 403. Required completion of high school or other training for teenage parents.

Sec. 404. Drug treatment and counseling as part of the Work First program.

Sec. 405. Targeting youth at risk of teenage pregnancy.

Sec. 406. National Clearinghouse on Teenage Pregnancy.

Sec. 407. Effective dates.

## TITLE V—INTERSTATE CHILD SUPPORT RESPONSIBILITY

Sec. 500. Short title.

### Subtitle A—Improvements to the Child Support Collection System

#### PART I—ELIGIBILITY AND OTHER MATTERS CONCERNING TITLE IV-D PROGRAM CLIENTS

Sec. 501. State obligation to provide paternity establishment and child support enforcement services.

Sec. 502. Distribution of payments.

Sec. 503. Rights to notification and hearings.

Sec. 504. Privacy safeguards.

#### PART II—PROGRAM ADMINISTRATION AND FUNDING

Sec. 511. Federal matching payments.

Sec. 512. Performance-based incentives and penalties.

Sec. 513. Federal and State reviews and audits.

Sec. 514. Required reporting procedures.

Sec. 515. Automated data processing requirements.

Sec. 516. Director of CSE program; staffing study.

Sec. 517. Funding for assistance to State programs.

Sec. 518. Data collection and reports by the Secretary.

#### PART III—LOCATE AND CASE TRACKING

Sec. 521. Central State and case registry.

Sec. 522. Centralized collection and disbursement of support payments.

Sec. 523. Amendments concerning income withholding.

Sec. 524. Locator information from interstate networks.

Sec. 525. Expanded Federal parent locator service.

Sec. 526. State directory of new hires.

Sec. 527. Use of social security numbers.

PART IV—STREAMLINING AND UNIFORMITY OF PROCEDURES

Sec. 531. Adoption of uniform State laws.

Sec. 532. Improvements to full faith and credit for child support orders.

Sec. 533. State laws providing expedited procedures.

PART V—PATERNITY ESTABLISHMENT

Sec. 541. State laws concerning paternity establishment.

Sec. 542. Outreach for voluntary paternity establishment.

Sec. 543. Cooperation requirement and good cause exception.

PART VI—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

Sec. 551. National Child Support Guidelines Commission.

Sec. 552. Simplified process for review and adjustment of child support orders.

PART VII—ENFORCEMENT OF SUPPORT ORDERS

Sec. 561. Federal income tax refund offset.

Sec. 562. Internal Revenue Service collection of arrearages.

Sec. 563. Authority to collect support from Federal employees.

Sec. 564. Enforcement of child support obligations of members of the Armed Forces.

Sec. 565. Motor vehicle liens.

Sec. 566. Voiding of fraudulent transfers.

Sec. 567. State law authorizing suspension of licenses.

Sec. 568. Reporting arrearages to credit bureaus.

Sec. 569. Extended statute of limitation for collection of arrearages.

Sec. 570. Charges for arrearages.

Sec. 571. Denial of passports for nonpayment of child support.

Sec. 572. International child support enforcement.

PART VIII—MEDICAL SUPPORT

Sec. 581. Technical correction to ERISA definition of medical child support order.

PART IX—VISITATION AND SUPPORT ASSURANCE PROJECTS

Sec. 591. Grants to States for access and visitation programs.

Sec. 592. Child support assurance demonstration projects.

Subtitle B—Effect of Enactment

Sec. 595. Effective dates.

Sec. 596. Severability.

TITLE VI—SUPPLEMENTAL SECURITY INCOME REFORM

Subtitle A—Eligibility Restrictions

Sec. 601. Drug addicts and alcoholics under the supplemental security income program.

Subtitle B—Benefits for Disabled Children

Sec. 611. Definition and eligibility rules.

- Sec. 612. Continuing disability reviews.
- Sec. 613. Additional accountability requirements.

#### Subtitle C—Study of Disability Determination Process

- Sec. 621. Annual report on the supplemental security income program.
- Sec. 622. Improvements to disability evaluation.
- Sec. 623. Study of disability determination process.
- Sec. 624. Study by general accounting office.

#### Subtitle D—National Commission on the Future of Disability

- Sec. 631. Establishment.
- Sec. 632. Duties of the commission.
- Sec. 633. Membership.
- Sec. 634. Staff and support services.
- Sec. 635. Powers of commission.
- Sec. 636. Reports.
- Sec. 637. Termination.

### TITLE VII—PROVISIONS RELATING TO SPONSORS

- Sec. 701. Uniform alien eligibility criteria for public assistance programs.
- Sec. 702. Extension of deeming of income and resources under TEA, SSI, and food stamp programs.
- Sec. 703. Requirements for sponsor's affidavits of support.
- Sec. 704. Extending requirement for affidavits of support to family-related and diversity immigrants.

### TITLE VIII—FOOD STAMP PROGRAM INTEGRITY AND REFORM.

- Sec. 801. References to the Food Stamp Act of 1977.
- Sec. 802. Certification period.
- Sec. 803. Expanded definition of coupon.
- Sec. 804. Treatment of minors.
- Sec. 805. Adjustment to thrifty food plan.
- Sec. 806. Earnings of certain high school students counted as income.
- Sec. 807. Energy assistance counted as income.
- Sec. 808. Exclusion of certain JTPA income.
- Sec. 809. 2-year freeze of standard deduction.
- Sec. 810. Elimination of household entitlement to switch between actual expenses and allowances during certification period.
- Sec. 811. Exclusion of life insurance proceeds.
- Sec. 812. Vendor payments for transitional housing counted as income.
- Sec. 813. Doubled penalties for violating food stamp program requirements.
- Sec. 814. Strengthened work requirements.
- Sec. 815. Work requirement for able-bodied recipients.
- Sec. 816. Disqualification for participating in 2 or more States.
- Sec. 817. Disqualification relating to child support arrears.
- Sec. 818. Facilitate implementation of a national electronic benefit transfer delivery system.
- Sec. 819. Limiting adjustment of minimum benefit.
- Sec. 820. Benefits on recertification.
- Sec. 821. State authorization to set requirements appropriate for households.
- Sec. 822. Coordination of employment and training programs.
- Sec. 823. Simplification of application procedures and standardization of benefits.

- Sec. 824. Authority to establish authorization periods.
- Sec. 825. Specific period for prohibiting participation of stores based on lack of business integrity.
- Sec. 826. Information for verifying eligibility for authorization.
- Sec. 827. Waiting period for stores that initially fail to meet authorization criteria.
- Sec. 828. Mandatory claims collection methods.
- Sec. 829. State authorization to assist law enforcement officers in locating fugitive felons.
- Sec. 830. Expedited service.
- Sec. 831. Bases for suspensions and disqualifications.
- Sec. 832. Authority to suspend stores violating program requirements pending administrative and judicial review.
- Sec. 833. Disqualification of retailers who are disqualified under the WIC program.
- Sec. 834. Permanent debarment of retailers who intentionally submit falsified applications.
- Sec. 835. Expanded civil and criminal forfeiture for violations.
- Sec. 836. Extending claims retention rates.
- Sec. 837. Nutrition assistance for Puerto Rico.
- Sec. 838. Expanded authority for sharing information provided by retailers.
- Sec. 839. Child and adult care food program.
- Sec. 840. Resumption of discretionary funding for nutrition education and training program.

#### TITLE IX—EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

- Sec. 901. Effective date.
- Sec. 902. Treatment of existing waivers.
- Sec. 903. Expedited waiver process.
- Sec. 904. County welfare demonstration project.
- Sec. 905. Work requirements for State of Hawaii.
- Sec. 906. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
- Sec. 907. Study by the Census Bureau.
- Sec. 908. Secretarial submission of legislative proposal for technical and conforming amendments.

### **1 SEC. 3. AMENDMENT OF THE SOCIAL SECURITY ACT.**

2       Except as otherwise expressly provided, wherever in  
 3 this Act an amendment or repeal is expressed in terms  
 4 of an amendment to, or repeal of, a section or other provi-  
 5 sion, the reference shall be considered to be made to a  
 6 section or other provision of the Social Security Act.

1                   **TITLE I—TEMPORARY**  
2                   **EMPLOYMENT ASSISTANCE**

3   **SEC. 101. STATE PLAN.**

4           (a) IN GENERAL.—Title IV (42 U.S.C. 601 et seq.)  
5 is amended by striking part A and inserting the following:

6                   **“PART A—TEMPORARY EMPLOYMENT**  
7                                   **ASSISTANCE**

8   **“SEC. 400. APPROPRIATION.**

9           “For the purpose of providing assistance to families  
10 with needy children and assisting parents of children in  
11 such families to obtain and retain private sector work to  
12 the extent possible, and public sector or volunteer work  
13 if necessary, through the Work First Employment Block  
14 Grant program (hereafter in this title referred to as the  
15 ‘Work First program’), there is hereby authorized to be  
16 appropriated, and is hereby appropriated, for each fiscal  
17 year a sum sufficient to carry out the purposes of this  
18 part. The sums made available under this section shall be  
19 used for making payments to States which have approved  
20 State plans for temporary employment assistance.

21   **“Subpart 1—State Plans for Temporary Employment**  
22                                   **Assistance**

23   **“SEC. 401. ELEMENTS OF STATE PLANS.**

24           “A State plan for temporary employment assistance  
25 shall provide a description of the State program which car-

1 ries out the purpose described in section 400 and shall  
 2 meet the requirements of the following sections of this  
 3 subpart.

4 **“SEC. 402. FAMILY ELIGIBILITY FOR TEMPORARY EMPLOY-**  
 5 **MENT ASSISTANCE.**

6 “(a) IN GENERAL.—The State plan shall provide that  
 7 any family—

8 “(1) with 1 or more children (or any expectant  
 9 family, at the option of the State), defined as needy  
 10 by the State; and

11 “(2) which fulfills the conditions set forth in  
 12 subsection (b),

13 shall be eligible for cash assistance under the plan, except  
 14 as otherwise provided under this part.

15 “(b) PARENT EMPOWERMENT CONTRACT.—The  
 16 State plan shall provide that not later than 10 days after  
 17 the approval of the application for temporary employment  
 18 assistance, a parent qualifying for assistance shall execute  
 19 a parent empowerment contract as described in section  
 20 403. If a child otherwise eligible for assistance under this  
 21 part is residing with a relative other than a parent, the  
 22 State plan may require the relative to execute such an  
 23 empowerment contract as a condition of the family receiv-  
 24 ing such assistance.

25 “(c) LIMITATIONS ON ELIGIBILITY.—

1 “(1) LENGTH OF TIME.—

2 “(A) IN GENERAL.—Except as provided in  
3 subparagraphs (B), (C), (D), and (E), the  
4 State plan shall provide that the family of an  
5 individual who, after attaining age 18 years (or  
6 age 19 years, at the option of the State), has  
7 received assistance under the plan for 60  
8 months, shall no longer be eligible for cash as-  
9 sistance under the plan.

10 “(B) HARDSHIP EXCEPTION.—With re-  
11 spect to any family, the State plan shall not in-  
12 clude in the determination of the 60-month pe-  
13 riod under subparagraph (A) any month in  
14 which—

15 “(i) at the option of the State, the  
16 family includes an individual working 20  
17 hours per week (or more, at the option of  
18 the State);

19 “(ii) the family resides in an area  
20 with an unemployment rate exceeding 7.5  
21 percent; or

22 “(iii) the family is experiencing other  
23 special hardship circumstances which make  
24 it appropriate for the State to provide an  
25 exemption for such month, except that the



1 total number of exemptions under this  
2 clause for any month shall not exceed 15  
3 percent of the number of families to which  
4 the State is providing assistance under the  
5 plan.

6 “(C) EXCEPTION FOR TEEN PARENTS.—

7 With respect to any family, the State plan shall  
8 not include in the determination of the 60-  
9 month period under subparagraph (A) any  
10 month in which the parent—

11 “(i) is under age 18 (or age 19, at the  
12 option of the State); and

13 “(ii) is making satisfactory progress  
14 while attending high school or an alter-  
15 native technical preparation school.

16 “(D) EXCEPTION FOR INDIVIDUALS EX-  
17 EMPT FROM WORK REQUIREMENTS.—With re-  
18 spect to any family, the State plan shall not in-  
19 clude in the determination of the 60-month pe-  
20 riod under subparagraph (A) any month in  
21 which 1 or each of the parents—

22 “(i) is seriously ill, incapacitated, or  
23 of advanced age;

24 “(ii) (I) except for a child described in  
25 subclause (II), is responsible for a child

1 under age 1 year (or age 6 months, at the  
2 option of the State), or

3 “(II) in the case of a 2nd or subse-  
4 quent child born during such period, is re-  
5 sponsible for a child under age 3 months;

6 “(iii) is pregnant in the 3rd trimester;  
7 or

8 “(iv) is caring for a family member  
9 who is ill or incapacitated.

10 “(E) EXCEPTION FOR CHILD-ONLY  
11 CASES.—With respect to any child who has not  
12 attained age 18 (or age 19, at the option of the  
13 State) and who is eligible for assistance under  
14 this part, but not as a member of a family oth-  
15 erwise eligible for assistance under this part  
16 (determined without regard to this paragraph),  
17 the State plan shall not include in the deter-  
18 mination of the 60-month period under sub-  
19 paragraph (A) any month in which such child  
20 has not attained such age.

21 “(F) OTHER PROGRAM ELIGIBILITY.—The  
22 State plan shall provide that if a family is no  
23 longer eligible for cash assistance under the  
24 plan solely due to the imposition of the 60-  
25 month period under subparagraph (A)—

1           “(i) for purposes of determining eligi-  
2           bility for any other Federal or federally as-  
3           sisted program based on need, such family  
4           shall continue to be considered eligible for  
5           such cash assistance;

6           “(ii) for purposes of determining the  
7           amount of assistance under any other Fed-  
8           eral or federally assisted program based on  
9           need, such family shall continue to be con-  
10          sidered receiving such cash assistance; and

11          “(iii) the State shall, after having as-  
12          sessed the needs of the child or children of  
13          the family, provide for such needs with a  
14          voucher for such family—

15               “(I) determined on the same  
16               basis as the State would provide as-  
17               sistance under the State plan to such  
18               a family with 1 less individual,

19               “(II) designed appropriately to  
20               pay third parties for shelter, goods,  
21               and services received by the child or  
22               children, and

23               “(III) payable directly to such  
24               third parties.

1           “(2) TREATMENT OF INTERSTATE MIGRANTS.—

2           The State plan may apply to a category of families  
3           the rules for such category under a plan of another  
4           State approved under this part, if a family in such  
5           category has moved to the State from the other  
6           State and has resided in the State for less than 12  
7           months.

8           “(3) INDIVIDUALS ON OLD-AGE ASSISTANCE OR

9           SSI INELIGIBLE FOR TEMPORARY EMPLOYMENT AS-  
10          SISTANCE.—The State plan shall provide that no as-  
11          sistance shall be furnished any individual under the  
12          plan with respect to any period with respect to which  
13          such individual is receiving old-age assistance under  
14          the State plan approved under section 102 of title  
15          I or supplemental security income under title XVI,  
16          and such individual’s assistance or income shall be  
17          disregarded in determining the eligibility of the fam-  
18          ily of such individual for temporary employment as-  
19          sistance.

20          “(4) CHILDREN FOR WHOM FEDERAL, STATE,

21          OR LOCAL FOSTER CARE MAINTENANCE OR ADOP-

22          TION ASSISTANCE PAYMENTS ARE MADE.—A child

23          with respect to whom foster care maintenance pay-

24          ments or adoption assistance payments are made

25          under part E or under State or local law shall not,

1 for the period for which such payments are made, be  
2 regarded as a needy child under this part, and such  
3 child's income and resources shall be disregarded in  
4 determining the eligibility of the family of such child  
5 for temporary employment assistance.

6 “(5) DENIAL OF ASSISTANCE FOR 10 YEARS TO  
7 A PERSON FOUND TO HAVE FRAUDULENTLY MIS-  
8 REPRESENTED RESIDENCE IN ORDER TO OBTAIN AS-  
9 SISTANCE IN 2 OR MORE STATES.—The State plan  
10 shall provide that no assistance will be furnished any  
11 individual under the plan during the 10-year period  
12 that begins on the date the individual is convicted in  
13 Federal or State court of having made, a fraudulent  
14 statement or representation with respect to the place  
15 of residence of the individual in order to receive ben-  
16 efits or services simultaneously from 2 or more  
17 States under programs that are funded under this  
18 part, title XIX, or the Food Stamp Act of 1977, or  
19 benefits in 2 or more States under the supplemental  
20 security income program under title XVI.

21 “(6) DENIAL OF ASSISTANCE FOR FUGITIVE  
22 FELONS AND PROBATION AND PAROLE VIOLA-  
23 TORS.—

24 “(A) IN GENERAL.—The State plan shall  
25 provide that no assistance will be furnished any

1 individual under the plan for any period if dur-  
2 ing such period the State agency has knowledge  
3 that such individual is—

4 “(i) fleeing to avoid prosecution, or  
5 custody or confinement after conviction,  
6 under the laws of the place from which the  
7 individual flees, for a crime, or an attempt  
8 to commit a crime, which is a felony under  
9 the laws of the place from which the indi-  
10 vidual flees, or which, in the case of the  
11 State of New Jersey, is a high mis-  
12 demeanor under the laws of such State; or

13 “(ii) violating a condition of probation  
14 or parole imposed under Federal or State  
15 law.

16 “(B) EXCHANGE OF INFORMATION WITH  
17 LAW ENFORCEMENT AGENCIES.—Notwithstand-  
18 ing any other provision of law, the State plan  
19 shall provide that the State shall furnish any  
20 Federal, State, or local law enforcement officer,  
21 upon the request of the officer, with the current  
22 address of any recipient of assistance under the  
23 plan, if the officer furnishes the agency with the  
24 name of the recipient and notifies the agency  
25 that—

1 “(i) such recipient—

2 “(I) is described in clause (i) or

3 (ii) of subparagraph (A); or

4 “(II) has information that is nec-

5 essary for the officer to conduct the

6 officer’s official duties; and

7 “(ii) the location or apprehension of

8 the recipient is within such officer’s official

9 duties.

10 “(d) DETERMINATION OF ELIGIBILITY.—

11 “(1) DETERMINATION OF NEED.—The State

12 plan shall provide that the State agency take into

13 consideration any income and resources of any indi-

14 vidual the State determines should be considered in

15 determining the need of the child or relative claim-

16 ing temporary employment assistance.

17 “(2) RESOURCE AND INCOME DETERMINA-

18 TION.—In determining the total resources and in-

19 come of the family of any needy child, the State plan

20 shall provide the following:

21 “(A) RESOURCES.—The State’s resource

22 limit, including a description of the policy deter-

23 mined by the State regarding any exclusion al-

24 lowed for vehicles owned by family members, re-

25 sources set aside for future needs of a child, in-

1           dividual development accounts, or other policies  
2           established by the State to encourage savings.

3           “(B) FAMILY INCOME.—The extent to  
4           which earned or unearned income is disregarded  
5           in determining eligibility for, and amount of,  
6           assistance.

7           “(C) CHILD SUPPORT.—The State’s policy,  
8           if any, for determining the extent to which child  
9           support received in excess of \$50 per month on  
10          behalf of a member of the family is disregarded  
11          in determining eligibility for, and the amount  
12          of, assistance.

13          “(D) CHILD’S EARNINGS.—The treatment  
14          of earnings of a child living in the home.

15          “(E) EARNED INCOME TAX CREDIT.—The  
16          State agency shall disregard any refund of Fed-  
17          eral income taxes made to a family receiving  
18          temporary employment assistance by reason of  
19          section 32 of the Internal Revenue Code of  
20          1986 (relating to earned income tax credit) and  
21          any payment made to such a family by an em-  
22          ployer under section 3507 of such Code (relat-  
23          ing to advance payment of earned income  
24          credit).



1           “(3) VERIFICATION SYSTEM.—The State plan  
2       shall provide that information is requested and ex-  
3       changed for purposes of income and eligibility ver-  
4       ification in accordance with a State system which  
5       meets the requirements of section 1137.

6   **“SEC. 403. PARENT EMPOWERMENT CONTRACT.**

7       “(a) ASSESSMENT.—The State plan shall provide  
8       that the State agency, through a case manager, shall make  
9       an initial assessment of the skills, prior work experience,  
10      and employability of each parent who is applying for tem-  
11      porary employment assistance under the plan.

12      “(b) PARENT EMPOWERMENT CONTRACTS.—On the  
13      basis of the assessment made under subsection (a) with  
14      respect to each parent, the case manager, in consultation  
15      with the parent or parents of a family (hereafter in this  
16      title referred to as the ‘client’), shall develop a parent  
17      empowerment contract for the client, which meets the fol-  
18      lowing requirements:

19           “(1) Sets forth the obligations of the client, in-  
20      cluding 1 or more of the following:

21           “(A) Search for a job.

22           “(B) Engage in work-related activities to  
23      help the client become and remain employed in  
24      the private sector.

1           “(C) Attend school, if necessary, and main-  
2           tain certain grades and attendance.

3           “(D) Keep school age children of the client  
4           in school.

5           “(E) Immunize children of the client.

6           “(F) Attend parenting and money manage-  
7           ment classes.

8           “(G) Any other appropriate activity, at the  
9           option of the State.

10          “(2) To the greatest extent possible, is designed  
11          to move the client as quickly as possible into what-  
12          ever type and amount of work as the client is capa-  
13          ble of handling, and to increase the responsibility  
14          and amount of work over time until the client is able  
15          to work full-time.

16          “(3) Provides for participation by the client in  
17          job search activities for the first 2 months after the  
18          application for temporary employment assistance  
19          under the State plan, unless the client is already  
20          working at least 20 hours per week or is exempt  
21          from the work requirements under the State plan.

22          “(4) If necessary to provide the client with sup-  
23          port and skills necessary to obtain and keep employ-  
24          ment in the private sector, provides for job counsel-  
25          ing or other services, and, if additionally necessary,

1 education or training through the Work First pro-  
2 gram under part F.

3 “(5) Provides that the client shall accept any  
4 bona fide offer of unsubsidized full-time employ-  
5 ment, unless the client has good cause for not doing  
6 so.

7 “(6) At the option of the State, provides that  
8 the client undergo appropriate substance abuse  
9 treatment.

10 “(7) Provides that the client—

11 “(A) assign to the State any rights to sup-  
12 port from any other person the client may have  
13 in such client’s own behalf or in behalf of any  
14 other family member for whom the client is ap-  
15 plying for or receiving assistance; and

16 “(B) cooperate with the State—

17 “(i) in establishing the paternity of a  
18 child born out of wedlock with respect to  
19 whom assistance is claimed, and

20 “(ii) in obtaining support payments  
21 for such client and for a child with respect  
22 to whom such assistance is claimed, or in  
23 obtaining any other payments or property  
24 due such client or such child, unless (in ei-  
25 ther case) such client is found to have good

1 cause for refusing to cooperate as deter-  
2 mined by the State agency in accordance  
3 with standards prescribed by the Sec-  
4 retary, which standards shall take into  
5 consideration the best interests of the child  
6 on whose behalf assistance is claimed.

7 “(c) PENALTIES FOR NONCOMPLIANCE WITH PAR-  
8 ENT EMPOWERMENT CONTRACT.—

9 “(1) IN GENERAL.—Except as provided in para-  
10 graph (2), the following penalties shall apply:

11 “(A) PROGRESSIVE REDUCTIONS IN AS-  
12 SISTANCE FOR 1ST AND 2ND ACTS OF NON-  
13 COMPLIANCE.—The State plan shall provide  
14 that the amount of temporary employment as-  
15 sistance otherwise payable under the plan to a  
16 family that includes a client who, with respect  
17 to a parent empowerment contract signed by  
18 the client, commits an act of noncompliance  
19 without good cause, shall be reduced by—

20 “(i) 33 percent for the 1st such act of  
21 noncompliance; or

22 “(ii) 66 percent for the 2nd such act  
23 of noncompliance.

24 “(B) DENIAL OF ASSISTANCE FOR 3RD  
25 AND SUBSEQUENT ACTS OF NONCOMPLIANCE.—

1           The State plan shall provide that in the case of  
2           the 3rd or subsequent such act of noncompli-  
3           ance, the family of which the client is a member  
4           shall not thereafter be eligible for temporary  
5           employment assistance under the State plan.

6           “(C) LENGTH OF PENALTIES.—The pen-  
7           alty for an act of noncompliance shall not ex-  
8           ceed the greater of—

9                   “(i) in the case of—

10                       “(I) the 1st act of noncompli-  
11                       ance, 1 month,

12                       “(II) the 2nd act of noncompli-  
13                       ance, 3 months, or

14                       “(III) the 3rd or subsequent act  
15                       of noncompliance, 6 months; or

16                       “(ii) the period ending with the ces-  
17                       sation of such act of noncompliance.

18           “(D) DENIAL OF TEMPORARY EMPLOY-  
19           MENT ASSISTANCE TO ADULTS REFUSING TO  
20           ACCEPT A BONA FIDE OFFER OF EMPLOY-  
21           MENT.—The State plan shall provide that if an  
22           unemployed individual who has attained 18  
23           years of age refuses to accept a bona fide offer  
24           of employment without good cause, such act of

1 noncompliance shall be considered a 3rd or sub-  
2 sequent act of noncompliance.

3 “(2) STATE FLEXIBILITY.—The State plan may  
4 provide for different penalties than those specified in  
5 paragraph (1).

6 **“SEC. 404. PAYMENT OF ASSISTANCE.**

7 “(a) STANDARDS OF ASSISTANCE.—The State plan  
8 shall specify standards of assistance, including—

9 “(1) the composition of the unit for which as-  
10 sistance will be provided;

11 “(2) a standard, expressed in money amounts,  
12 to be used in determining the need of applicants and  
13 recipients;

14 “(3) a standard, expressed in money amounts,  
15 to be used in determining the amount of the assist-  
16 ance payment; and

17 “(4) the methodology to be used in determining  
18 the payment amount received by assistance units.

19 “(b) LEVEL OF ASSISTANCE.—The State plan shall  
20 provide that—

21 “(1) the determination of need and the amount  
22 of assistance for all applicants and recipients shall  
23 be made on an objective and equitable basis;

1           “(2) families of similar composition with similar  
2       needs and circumstances shall be treated similarly;  
3       and

4           “(3) the State shall not reduce or deny assist-  
5       ance for a needy child solely because such child was  
6       conceived or born during a period in which the par-  
7       ent was receiving temporary employment assistance.

8       “(c) CORRECTION OF PAYMENTS.—The State plan  
9       shall provide that the State agency will promptly take all  
10      necessary steps to correct any overpayment or  
11      underpayment of assistance under such plan, including the  
12      request for Federal tax refund intercepts as provided  
13      under section 417.

14   **“SEC. 405. PROVISION OF PROGRAM AND EMPLOYMENT IN-**  
15                   **FORMATION AND CHILD CARE.**

16       “(a) INFORMATION.—The State plan shall provide  
17      for the dissemination of information to all applicants for  
18      and recipients of temporary employment assistance under  
19      the plan about all available services under the State plan  
20      for which such applicants and recipients are eligible.

21       “(b) CHILD CARE DURING JOB SEARCH, WORK, OR  
22      PARTICIPATION IN WORK FIRST.—The State plan shall  
23      provide that the State agency shall guarantee child care  
24      assistance for each family that is receiving temporary em-  
25      ployment assistance and that has a needy child requiring

1 such care, to the extent that such care is determined by  
2 the State agency to be necessary for an individual in the  
3 family to participate in job search activities, to work, or  
4 to participate in the Work First program.

5 **“SEC. 406. OTHER PROGRAMS.**

6 “(a) WORK FIRST.—The State plan shall provide  
7 that the State has in effect and operation a Work First  
8 program that meets the requirements of part F.

9 “(b) STATE CHILD SUPPORT AGENCY.—The State  
10 plan shall—

11 “(1) provide that the State has in effect a plan  
12 approved under part D and operates a child support  
13 program in substantial compliance with such plan;

14 “(2) provide that the State agency administer-  
15 ing the plan approved under this part shall be re-  
16 sponsible for assuring that—

17 “(A) the benefits and services provided  
18 under plans approved under this part and part  
19 D are furnished in an integrated manner, in-  
20 cluding coordination of intake procedures with  
21 the agency administering the plan approved  
22 under part D;

23 “(B) all applicants for, and recipients of,  
24 temporary employment assistance are encour-  
25 aged, assisted, and required (as provided under



1 section 403(b)(7)(B)) to cooperate in the estab-  
2 lishment and enforcement of paternity and child  
3 support obligations and are notified about the  
4 services available under the State plan approved  
5 under part D; and

6 “(C) procedures require referral of pater-  
7 nity and child support enforcement cases to the  
8 agency administering the plan approved under  
9 part D not later than 10 days after the applica-  
10 tion for temporary employment assistance; and

11 “(3) provide for prompt notice (including the  
12 transmittal of all relevant information) to the State  
13 child support collection agency established pursuant  
14 to part D of the furnishing of temporary employ-  
15 ment assistance with respect to a child who has been  
16 deserted or abandoned by a parent (including a child  
17 born out-of-wedlock without regard to whether the  
18 paternity of such child has been established).

19 “(c) CHILD WELFARE SERVICES AND FOSTER CARE  
20 AND ADOPTION ASSISTANCE.—The State plan shall pro-  
21 vide that the State has in effect—

22 “(1) a State plan for child welfare services ap-  
23 proved under part B; and

24 “(2) a State plan for foster care and adoption  
25 assistance approved under part E,

1 and operates such plans in substantial compliance with the  
2 requirements of such parts.

3 “(d) REPORT OF CHILD ABUSE, ETC.—The State  
4 plan shall provide that the State agency will—

5 “(1) report to an appropriate agency or official,  
6 known or suspected instances of physical or mental  
7 injury, sexual abuse or exploitation, or negligent  
8 treatment or maltreatment of a child receiving as-  
9 sistance under the State plan under circumstances  
10 which indicate that the child’s health or welfare is  
11 threatened thereby; and

12 “(2) provide such information with respect to a  
13 situation described in paragraph (1) as the State  
14 agency may have.

15 “(e) OUT-OF-WEDLOCK AND TEEN PREGNANCY  
16 PROGRAMS.—The State plan shall provide for the develop-  
17 ment of a program—

18 “(1) to reduce the incidence of out-of-wedlock  
19 pregnancies, which may include providing unmarried  
20 mothers and unmarried fathers with services which  
21 will help them—

22 “(A) avoid subsequent pregnancies, and

23 “(B) provide adequate care to their chil-  
24 dren; and

1           “(2) to reduce teenage pregnancy, which may  
2           include, at the option of the State, providing edu-  
3           cation and counseling to male and female teenagers.

4           “(f) AVAILABILITY OF ASSISTANCE IN RURAL AREAS  
5   OF STATE.—The State plan shall consider and address the  
6   needs of rural areas in the State to ensure that families  
7   in such areas receive assistance to become self-sufficient.

8           “(g) FAMILY PRESERVATION.—

9           “(1) IN GENERAL.—The State plan shall de-  
10          scribe the efforts by the State to promote family  
11          preservation and stability, including efforts—

12                   “(A) to encourage fathers to stay home  
13                   and be a part of the family;

14                   “(B) to keep families together to the ex-  
15                   tent possible; and

16                   “(C) except to the extent provided in para-  
17                   graph (2), to treat 2-parent families and 1-par-  
18                   ent families equally with respect to eligibility  
19                   for assistance.

20           “(2) MAINTENANCE OF TREATMENT.—The  
21          State may impose eligibility limitations relating spe-  
22          cifically to 2-parent families to the extent such limi-  
23          tations are no more restrictive than such limitations  
24          in effect in the State plan in fiscal year 1995.

1 **SEC. 407. ADMINISTRATIVE REQUIREMENTS FOR STATE**  
2 **PLAN.**

3 “(a) STATEWIDE PLAN.—The State plan shall be in  
4 effect in all political subdivisions of the State, and, if ad-  
5 ministered by the subdivisions, be mandatory upon such  
6 subdivisions. If such plan is not administered uniformly  
7 throughout the State, the plan shall describe the adminis-  
8 trative variations.

9 “(b) SINGLE ADMINISTRATING AGENCY.—The State  
10 plan shall provide for the establishment or designation of  
11 a single State agency to administer the plan or supervise  
12 the administration of the plan.

13 “(c) FINANCIAL PARTICIPATION.—The State plan  
14 shall provide for financial participation by the State in the  
15 same manner and amount as such State participates  
16 under title XIX, except that with respect to the sums ex-  
17 pended for the administration of the State plan, the per-  
18 centage shall be 50 percent.

19 “(d) REASONABLE PROMPTNESS.—The State plan  
20 shall provide that all individuals wishing to make applica-  
21 tion for temporary employment assistance shall have op-  
22 portunity to do so, and that such assistance be furnished  
23 with reasonable promptness to all eligible individuals.

24 “(e) FAIR HEARING.—The State plan shall provide  
25 for granting an opportunity for a fair hearing before the  
26 State agency to any individual—

1           “(1) whose claim for temporary employment as-  
2           sistance is denied or is not acted upon with reason-  
3           able promptness; or

4           “(2) whose assistance is reduced or terminated.

5           “(f) AUTOMATED DATA PROCESSING SYSTEM.—The  
6           State plan shall, at the option of the State, provide for  
7           the establishment and operation of an automated state-  
8           wide management information system designed effectively  
9           and efficiently, to assist management in the administra-  
10          tion of the State plan approved under this part, so as—

11           “(1) to control and account for—

12                   “(A) all the factors in the total eligibility  
13                   determination process under such plan for as-  
14                   sistance, and

15                   “(B) the costs, quality, and delivery of  
16                   payments and services furnished to applicants  
17                   for and recipients of assistance; and

18           “(2) to notify the appropriate officials for child  
19           support, food stamp, and social service programs,  
20           and the medical assistance program approved under  
21           title XIX, whenever a recipient becomes ineligible for  
22           such assistance or the amount of assistance provided  
23           to a recipient under the State plan is changed.

24           “(g) DISCLOSURE OF INFORMATION.—The State  
25           plan shall provide for safeguards which restrict the use

1 or disclosure of information concerning applicants or re-  
2 cipients.

3 “(h) DETECTION OF FRAUD.—The State plan shall  
4 provide, in accordance with regulations issued by the Sec-  
5 retary, for appropriate measures to detect fraudulent ap-  
6 plications for temporary employment assistance before the  
7 establishment of eligibility for such assistance.

8 **“Subpart 2—Administrative Provisions**

9 **“SEC. 411. APPROVAL OF PLAN.**

10 “(a) IN GENERAL.—The Secretary shall approve a  
11 State plan which fulfills the requirements under subpart  
12 1 within 120 days of the submission of the plan by the  
13 State to the Secretary.

14 “(b) DEEMED APPROVAL.—If a State plan has not  
15 been rejected by the Secretary during the period specified  
16 in subsection (a), the plan shall be deemed to have been  
17 approved.

18 **“SEC. 412. COMPLIANCE.**

19 In the case of any State plan for temporary employ-  
20 ment assistance which has been approved under section  
21 411, if the Secretary, after reasonable notice and oppor-  
22 tunity for hearing to the State agency administering or  
23 supervising the administration of such plan, finds that in  
24 the administration of the plan there is a failure to comply  
25 substantially with any provision required by subpart 1 to

1 be included in the plan, the Secretary shall notify such  
2 State agency that further payments will not be made to  
3 the State (or in the Secretary's discretion, that payments  
4 will be limited to categories under or parts of the State  
5 plan not affected by such failure) until the Secretary is  
6 satisfied that such prohibited requirement is no longer so  
7 imposed, and that there is no longer any such failure to  
8 comply. Until the Secretary is so satisfied the Secretary  
9 shall make no further payments to such State (or shall  
10 limit payments to categories under or parts of the State  
11 plan not affected by such failure).

12 **“SEC. 413. PAYMENTS TO STATES.**

13       “(a) COMPUTATION OF AMOUNT.—Subject to section  
14 412, from the sums appropriated therefor, the Secretary  
15 of the Treasury shall pay to each State which has an ap-  
16 proved plan for temporary employment assistance, for  
17 each quarter, beginning with the quarter commencing Oc-  
18 tober 1, 1996, an amount equal to the Federal medical  
19 assistance percentage (as defined in section 1905(b)) of  
20 the expenditures by the State under such plan.

21       “(b) METHOD OF COMPUTATION AND PAYMENT.—  
22 The method of computing and paying such amounts shall  
23 be as follows:

24               “(1) The Secretary shall, prior to the beginning  
25       of each quarter, estimate the amount to be paid to

1 the State for such quarter under the provisions of  
2 subsection (a), such estimate to be based on—

3 “(A) a report filed by the State containing  
4 its estimate of the total sum to be expended in  
5 such quarter in accordance with the provisions  
6 of such subsection and stating the amount ap-  
7 propriated or made available by the State and  
8 its political subdivisions for such expenditures  
9 in such quarter, and if such amount is less than  
10 the State’s proportionate share of the total sum  
11 of such estimated expenditures, the source or  
12 sources from which the difference is expected to  
13 be derived;

14 “(B) records showing the number of needy  
15 children in the State; and

16 “(C) such other information as the Sec-  
17 retary may find necessary.

18 “(2) The Secretary of Health and Human Serv-  
19 ices shall then certify to the Secretary of the Treas-  
20 ury the amount so estimated by the Secretary of  
21 Health and Human Services—

22 “(A) reduced or increased, as the case may  
23 be, by any sum by which the Secretary of  
24 Health and Human Services finds that the esti-  
25 mate for any prior quarter was greater or less



1           than the amount which should have been paid  
2           to the State for such quarter;

3           “(B) reduced by a sum equivalent to the  
4           pro rata share to which the Federal Govern-  
5           ment is equitably entitled, as determined by the  
6           Secretary of Health and Human Services, of  
7           the net amount recovered during any prior  
8           quarter by the State or any political subdivision  
9           thereof with respect to temporary employment  
10          assistance furnished under the State plan; and

11          “(C) reduced by such amount as is nec-  
12          essary to provide the appropriate reimburse-  
13          ment to the Federal Government that the State  
14          is required to make under section 457 out of  
15          that portion of child support collections retained  
16          by the State pursuant to such section,

17          except that such increases or reductions shall not be  
18          made to the extent that such sums have been ap-  
19          plied to make the amount certified for any prior  
20          quarter greater or less than the amount estimated  
21          by the Secretary of Health and Human Services for  
22          such prior quarter.

23          “(c) METHOD OF PAYMENT.—The Secretary of the  
24          Treasury shall thereupon, through the Fiscal Service of  
25          the Department of the Treasury and prior to audit or set-

1 tlement by the General Accounting Office, pay to the  
2 State, at the time or times fixed by the Secretary of  
3 Health and Human Services, the amount so certified.

4 **“SEC. 414. ATTRIBUTION OF INCOME AND RESOURCES OF**  
5 **SPONSOR AND SPOUSE TO ALIEN.**

6 “(a) APPLICABILITY; TIME PERIOD.—For purposes  
7 of determining eligibility for and the amount of assistance  
8 under a State plan approved under this part for an indi-  
9 vidual who is an alien, the income and resources of any  
10 person who (as a sponsor of such individual’s entry into  
11 the United States) executed an affidavit of support or  
12 similar agreement with respect to such individual, and the  
13 income and resources of the sponsor’s spouse, shall be  
14 deemed to be the unearned income and resources of such  
15 individual (in accordance with subsections (b) and (c)) for  
16 a period ending with the date (if any) on which such indi-  
17 vidual becomes a citizen of the United States under chap-  
18 ter 2 of title III of the Immigration and Nationality Act,  
19 except that this section is not applicable if such individual  
20 is a needy child and such sponsor (or such sponsor’s  
21 spouse) is the parent of such child.

22 “(b) COMPUTATION.—

23 “(1) INCOME.—The amount of income of a  
24 sponsor (and the sponsor’s spouse) which shall be

1       deemed to be the unearned income of an alien for  
2       any month shall be determined as follows:

3               “(A) The total amount of earned and un-  
4               earned income of such sponsor and such spon-  
5               sor’s spouse (if such spouse is living with the  
6               sponsor) shall be determined for such month.

7               “(B) The amount determined under sub-  
8               paragraph (A) shall be reduced by an amount  
9               equal to the sum of—

10               “(i) the lesser of—

11                       “(I) 20 percent of the total of  
12                       any amounts received by the sponsor  
13                       and the sponsor’s spouse in such  
14                       month as wages or salary or as net  
15                       earnings from self-employment, plus  
16                       the full amount of any costs incurred  
17                       by them in producing self-employment  
18                       income in such month, or

19                       “(II) \$175;

20               “(ii) the needs standard established  
21               by the State under its plan for a family of  
22               the same size and composition as the spon-  
23               sor and those other individuals living in  
24               the same household as the sponsor who are  
25               claimed by the sponsor as dependents for

1 purposes of determining the sponsor's Fed-  
2 eral personal income tax liability;

3 "(iii) any amounts paid by the spon-  
4 sor (or the sponsor's spouse) to individuals  
5 not living in such household who are  
6 claimed by the sponsor as dependents for  
7 purposes of determining the sponsor's Fed-  
8 eral personal income tax liability; and

9 "(iv) any payments of alimony or  
10 child support with respect to individuals  
11 not living in such household.

12 "(2) RESOURCES.—The amount of resources of  
13 a sponsor (and the sponsor's spouse) which shall be  
14 deemed to be the resources of an alien for any  
15 month shall be determined as follows:

16 "(A) The total amount of the resources  
17 (determined as if the sponsor were applying for  
18 assistance under the State plan approved under  
19 this part) of such sponsor and such sponsor's  
20 spouse (if such spouse is living with the spon-  
21 sor) shall be determined.

22 "(B) The amount determined under sub-  
23 paragraph (A) shall be reduced by \$1,500.

1       “(c) PROVISION OF INFORMATION BY ALIEN CON-  
2       CERNING SPONSOR; RECEIPT OF INFORMATION FROM  
3       DEPARTMENTS OF STATE AND JUSTICE.—

4               “(1) PROVISION OF INFORMATION BY ALIEN.—

5       Any individual who is an alien and whose sponsor  
6       was a public or private agency shall be ineligible for  
7       assistance under a State plan approved under this  
8       part during the period beginning with the alien’s  
9       entry into the United States and ending with the  
10      date (if any) on which such alien becomes a citizen  
11      of the United States under chapter 2 of title III of  
12      the Immigration and Nationality Act, unless the  
13      State agency administering such plan determines  
14      that such sponsor either no longer exists or has be-  
15      come unable to meet such individual’s needs; and  
16      such determination shall be made by the State agen-  
17      cy based upon such criteria as the State agency may  
18      specify in the State plan, and upon such documen-  
19      tary evidence as the State agency may therein re-  
20      quire. Any such individual, and any other individual  
21      who is an alien (as a condition of the alien’s eligi-  
22      bility for assistance under a State plan approved  
23      under this part during such period), shall be re-  
24      quired to provide to the State agency administering  
25      such plan such information and documentation with

1       respect to the alien's sponsor as may be necessary  
2       in order for the State agency to make any deter-  
3       mination required under this section, and to obtain  
4       any cooperation from such sponsor necessary for any  
5       such determination. Such alien shall also be required  
6       to provide to the State agency such information and  
7       documentation as the State agency may request and  
8       which such alien or the alien's sponsor provided in  
9       support of such alien's immigration application.

10       “(2) PROVISION OF INFORMATION BY DEPART-  
11       MENTS.—The Secretary shall enter into agreements  
12       with the Secretary of State and the Attorney Gen-  
13       eral whereby any information available to them and  
14       required in order to make any determination under  
15       this section will be provided by them to the Sec-  
16       retary (who may, in turn, make such information  
17       available, upon request, to a concerned State agen-  
18       cy), and whereby the Secretary of State and Attor-  
19       ney General will inform any sponsor of an alien, at  
20       the time such sponsor executes an affidavit of sup-  
21       port or similar agreement, of the requirements im-  
22       posed by this section.

23       “(d) JOINT AND SEVERAL LIABILITY OF ALIEN AND  
24       SPONSOR FOR OVERPAYMENT OF ASSISTANCE DURING  
25       SPECIFIED PERIOD FOLLOWING ENTRY.—Any sponsor of

1 an alien, and such alien, shall be jointly and severally lia-  
 2 ble for an amount equal to any overpayment of assistance  
 3 under the State plan made to such alien during the period  
 4 described in subsection (c)(1), on account of such spon-  
 5 sor's failure to provide correct information under the pro-  
 6 visions of this section, except where such sponsor was  
 7 without fault, or where good cause of such failure existed.  
 8 Any such overpayment which is not repaid to the State  
 9 or recovered in accordance with the procedures generally  
 10 applicable under the State plan to the recoupment of over-  
 11 payments shall be withheld from any subsequent payment  
 12 to which such alien or such sponsor is entitled under any  
 13 provision of this title.

14       “(e) DIVISION OF INCOME AND RESOURCES OF INDI-  
 15 VIDUAL SPONSORING 2 OR MORE ALIENS LIVING IN SAME  
 16 HOME.—

17       “(1) IN GENERAL.—In any case where a person  
 18 is the sponsor of 2 or more alien individuals who are  
 19 living in the same home, the income and resources  
 20 of such sponsor (and the sponsor's spouse), to the  
 21 extent such income and resources would be deemed  
 22 the income and resources of any 1 of such individ-  
 23 uals under the preceding provisions of this section,  
 24 shall be divided into 2 or more equal shares (the  
 25 number of shares being the same as the number of

1       such alien individuals) and the income and resources  
2       of each such individual shall be deemed to include 1  
3       such share.

4           “(2) AVAILABILITY.—Income and resources of  
5       a sponsor (and the sponsor’s spouse) which are  
6       deemed under this section to be the income and re-  
7       sources of any alien individual in a family shall not  
8       be considered in determining the need of other fam-  
9       ily members except to the extent such income or re-  
10      sources are actually available to such other mem-  
11      bers.

12      “(f) ALIENS NOT COVERED.—The provisions of this  
13      section shall not apply with respect to any alien who is—

14           “(1) admitted to the United States as a result  
15      of the application, prior to April 1, 1980, of the pro-  
16      visions of section 203(a)(7) of the Immigration and  
17      Nationality Act;

18           “(2) admitted to the United States as a result  
19      of the application, after March 31, 1980, of the pro-  
20      visions of section 207(c) of such Act;

21           “(3) paroled into the United States as a refugee  
22      under section 212(d)(5) of such Act;

23           “(4) granted political asylum by the Attorney  
24      General under section 208 of such Act; or



1           “(5) a Cuban and Haitian entrant, as defined  
2           in section 501(e) of the Refugee Education Assist-  
3           ance Act of 1980 (Public Law 96–422).

4   **“SEC. 415. QUALITY ASSURANCE, DATA COLLECTION, AND**  
5           **REPORTING SYSTEM.**

6           “(a) QUALITY ASSURANCE.—

7           “(1) IN GENERAL.—Under the State plan, a  
8           quality assurance system shall be developed based  
9           upon a collaborative effort involving the Secretary,  
10          the State, the political subdivisions of the State, and  
11          assistance recipients, and shall include quantifiable  
12          program outcomes related to self sufficiency in the  
13          categories of welfare-to-work, payment accuracy, and  
14          child support.

15          “(2) MODIFICATIONS TO SYSTEM.—As deemed  
16          necessary, but not more often than every 2 years,  
17          the Secretary, in consultation with the State, the po-  
18          litical subdivisions of the State, and assistance re-  
19          cipients, shall make appropriate changes in the de-  
20          sign and administration of the quality assurance sys-  
21          tem, including changes in benchmarks, measures,  
22          and data collection or sampling procedures.

23          “(b) DATA COLLECTION AND REPORTING.—

24          “(1) IN GENERAL.—The State plan shall pro-  
25          vide for a quarterly report to the Secretary regard-

1       ing the data described in paragraphs (2) and (3)  
2       and such additional data needed for the quality as-  
3       surance system. The data collection and reporting  
4       system under this subsection shall promote account-  
5       ability, continuous improvement, and integrity in the  
6       State plans for temporary employment assistance  
7       and Work First.

8               “(2) DISAGGREGATED DATA.—The State shall  
9       collect the following data items on a monthly basis  
10      from disaggregated case records of applicants for  
11      and recipients of temporary employment assistance  
12      from the previous month:

13              “(A) The age of adults and children (in-  
14      cluding pregnant women).

15              “(B) Marital or familial status of cases:  
16      married (2-parent family), widowed, divorced,  
17      separated, or never married; or child living with  
18      other adult relative.

19              “(C) The gender, race, educational attain-  
20      ment, work experience, disability status (wheth-  
21      er the individual is seriously ill, incapacitated,  
22      or caring for a disabled or incapacitated child)  
23      of adults.

24              “(D) The amount of cash assistance and  
25      the amount and reason for any reduction in

1           such assistance. Any other data necessary to  
2           determine the timeliness and accuracy of bene-  
3           fits and welfare diversions.

4           “(E) Whether any member of the family  
5           receives benefits under any of the following:

6                   “(i) Any housing program.

7                   “(ii) The food stamp program under  
8                   the Food Stamp Act of 1977.

9                   “(iii) The Head Start programs car-  
10                  ried out under the Head Start Act.

11                  “(iv) Any job training program.

12           “(F) The number of months since the most  
13           recent application for assistance under the plan.

14           “(G) The total number of months for  
15           which assistance has been provided to the fami-  
16           lies under the plan.

17           “(H) The employment status, hours  
18           worked, and earnings of individuals while re-  
19           ceiving assistance, whether the case was closed  
20           due to employment, and other data needed to  
21           meet the work performance rate.

22           “(I) Status in Work First and workfare,  
23           including the number of hours an individual  
24           participated and the component in which the in-  
25           dividual participated.

1           “(J) The number of persons in the assist-  
2           ance unit and their relationship to the youngest  
3           child. Nonrecipients in the household and their  
4           relationship to the youngest child.

5           “(K) Citizenship status.

6           “(L) Shelter arrangement.

7           “(M) Unearned income (not including tem-  
8           porary employment assistance), such as child  
9           support, and assets.

10          “(N) The number of children who have a  
11          parent who is deceased, incapacitated, or unem-  
12          ployed.

13          “(O) Geographic location.

14          “(3) AGGREGATED DATA.—The State shall col-  
15          lect the following data items on a monthly basis  
16          from aggregated case records of applicants for and  
17          recipients of temporary employment assistance from  
18          the previous month:

19               “(A) The number of adults receiving as-  
20               sistance.

21               “(B) The number of children receiving as-  
22               sistance.

23               “(C) The number of families receiving as-  
24               sistance.

1           “(D) The number of assistance units who  
2           had their grants reduced or terminated and the  
3           reason for the reduction or termination, includ-  
4           ing sanction, employment, and meeting the time  
5           limit for assistance).

6           “(E) The number of applications for as-  
7           sistance; the number approved and the number  
8           denied and the reason for denial.

9           “(4) LONGITUDINAL STUDIES.—The State shall  
10          submit selected data items for a cohort of individ-  
11          uals who are tracked over time. This longitudinal  
12          sample shall be used for selected data items de-  
13          scribed in paragraphs (2) and (3), as determined ap-  
14          propriate by the Secretary.

15          “(c) ADDITIONAL DATA.—The report required by  
16          subsection (b) for a fiscal year quarter shall also include  
17          the following:

18                 “(1) REPORT ON USE OF FEDERAL FUNDS TO  
19                 COVER ADMINISTRATIVE COSTS AND OVERHEAD.—A  
20                 statement of—

21                         “(A) the percentage of the Federal funds  
22                         paid to the State under this part for the fiscal  
23                         year quarter that are used to cover administra-  
24                         tive costs or overhead; and

1           “(B) the total amount of State funds that  
2           are used to cover such costs or overhead.

3           “(2) REPORT ON STATE EXPENDITURES ON  
4           PROGRAMS FOR NEEDY FAMILIES.—A statement of  
5           the total amount expended by the State during the  
6           fiscal year quarter on programs for needy families,  
7           with the amount spent on the program under this  
8           part, and the purposes for which such amount was  
9           spent, separately stated.

10          “(3) REPORT ON NONCUSTODIAL PARENTS PAR-  
11          TICIPATING IN WORK ACTIVITIES.—The number of  
12          noncustodial parents in the State who participated  
13          in work activities during the fiscal year quarter.

14          “(4) REPORT ON CHILD SUPPORT COL-  
15          LECTED.—The total amount of child support col-  
16          lected by the State agency administering the State  
17          plan under part D on behalf of a family receiving as-  
18          sistance under this part.

19          “(5) REPORT ON CHILD CARE.—The total  
20          amount expended by the State for child care under  
21          this part, along with a description of the types of  
22          child care provided, such as child care provided in  
23          the case of a family that has ceased to receive assist-  
24          ance under this part because of increased hours of,  
25          or increased income from, employment, or in the

1 case of a family that is not receiving assistance  
2 under this part but would be at risk of becoming eli-  
3 gible for such assistance if child care was not pro-  
4 vided.

5 “(6) REPORT ON TRANSITIONAL SERVICES.—

6 The total amount expended by the State for provid-  
7 ing transitional services to a family that has ceased  
8 to receive assistance under this part because of in-  
9 creased hours of, or increased income from, employ-  
10 ment, along with a description of such services.

11 “(d) COLLECTION PROCEDURES.—The Secretary  
12 shall provide case sampling plans and data collection pro-  
13 cedures as deemed necessary to make statistically valid es-  
14 timates of plan performance.

15 “(e) VERIFICATION.—The Secretary shall develop  
16 and implement procedures for verifying the quality of the  
17 data submitted by the State, and shall provide technical  
18 assistance, funded by the compliance penalties imposed  
19 under section 412, if such data quality falls below accept-  
20 able standards.

21 **“SEC. 416. COMPILATION AND REPORTING OF DATA.**

22 “(a) CURRENT PROGRAMS.—The Secretary shall, on  
23 the basis of the Secretary’s review of the reports received  
24 from the States under section 415, compile such data as  
25 the Secretary believes necessary, and from time to time,

1 publish the findings as to the effectiveness of the programs  
2 developed and administered by the States under this part.  
3 The Secretary shall annually report to the Congress on  
4 the programs developed and administered by each State  
5 under this part.

6 “(b) RESEARCH, DEMONSTRATION AND EVALUA-  
7 TION.—Of the amount specified under section 413(a), an  
8 amount equal to .25 percent is authorized to be expended  
9 by the Secretary to support the following types of re-  
10 search, demonstrations, and evaluations:

11 “(1) STATE-INITIATED RESEARCH.—States may  
12 apply for grants to cover 90 percent of the costs of  
13 self-evaluations of programs under State plans ap-  
14 proved under this part.

15 “(2) DEMONSTRATIONS.—

16 “(A) IN GENERAL.—The Secretary may  
17 implement and evaluate demonstrations of inno-  
18 vative and promising strategies to—

19 “(i) improve child well-being through  
20 reductions in illegitimacy, teen pregnancy,  
21 welfare dependency, homelessness, and  
22 poverty;

23 “(ii) test promising strategies by non-  
24 profit and for-profit institutions to increase  
25 employment, earning, child support pay-



1           ments, and self-sufficiency with respect to  
2           temporary employment assistance clients  
3           under State plans; and

4           “(iii) foster the development of child  
5           care.

6           “(B) ADDITIONAL PARAMETERS.—Dem-  
7           onstrations implemented under this para-  
8           graph—

9           “(i) may provide one-time capital  
10          funds to establish, expand, or replicate  
11          programs;

12          “(ii) may test performance-based  
13          grant to loan financing in which programs  
14          meeting performance targets receive grants  
15          while programs not meeting such targets  
16          repay funding on a pro-rated basis; and

17          “(iii) should test strategies in multiple  
18          States and types of communities.

19          “(3) FEDERAL EVALUATIONS.—

20          “(A) IN GENERAL.—The Secretary shall  
21          conduct research on the effects, benefits, and  
22          costs of different approaches to operating wel-  
23          fare programs, including an implementation  
24          study based on a representative sample of  
25          States and localities, documenting what policies

1        were adopted, how such policies were imple-  
2        mented, the types and mix of services provided,  
3        and other such factors as the Secretary deems  
4        appropriate.

5            “(B) RESEARCH ON RELATED ISSUES.—

6        The Secretary shall also conduct research on is-  
7        sues related to the purposes of this part, such  
8        as strategies for moving welfare recipients into  
9        the workforce quickly, reducing teen preg-  
10       nancies and out-of-wedlock births, and provid-  
11       ing adequate child care.

12          “(C) STATE REIMBURSEMENT.—The Sec-

13       retary may reimburse a State for any research-  
14       related costs incurred pursuant to research con-  
15       ducted under this paragraph.

16          “(D) USE OF RANDOM ASSIGNMENT.—

17       Evaluations authorized under this paragraph  
18       should use random assignment to the maximum  
19       extent feasible and appropriate.

20          “(4) REGIONAL INFORMATION CENTERS.—

21            “(A) IN GENERAL.—The Secretary shall

22       establish not less than 5, nor more than 7 re-  
23       gional information centers located at major re-  
24       search universities or consortiums of univer-  
25       sities to ensure the effective implementation of

1 welfare reform and the efficient dissemination  
2 of information about innovations, evaluation  
3 outcomes, and training initiatives.

4 “(B) CENTER RESPONSIBILITIES.—The  
5 Centers shall have the following functions:

6 “(i) Disseminate information about ef-  
7 fective income support and related pro-  
8 grams, along with suggestions for the rep-  
9 lication of such programs.

10 “(ii) Research the factors that cause  
11 and sustain welfare dependency and pov-  
12 erty in the regions served by the respective  
13 centers.

14 “(iii) Assist the States in the region  
15 formulate and implement innovative pro-  
16 grams and improvements in existing pro-  
17 grams that help clients move off welfare  
18 and become productive citizens.

19 “(iv) Provide training as appropriate  
20 to staff of State agencies to enhance the  
21 ability of the agencies to successfully place  
22 Work First clients in productive employ-  
23 ment or self-employment.

24 “(C) CENTER ELIGIBILITY TO PERFORM  
25 EVALUATIONS.—The Centers may compete for

1 demonstration and evaluation contracts devel-  
2 oped under this section.

3 **“SEC. 417. COLLECTION OF OVERPAYMENTS FROM FED-**  
4 **ERAL TAX REFUNDS.**

5 “(a) IN GENERAL.—Upon receiving notice from a  
6 State agency administering a plan approved under this  
7 part that a named individual has been overpaid under the  
8 State plan approved under this part, the Secretary of the  
9 Treasury shall determine whether any amounts as refunds  
10 of Federal taxes paid are payable to such individual, re-  
11 gardless of whether such individual filed a tax return as  
12 a married or unmarried individual. If the Secretary of the  
13 Treasury finds that any such amount is payable, the Sec-  
14 retary shall withhold from such refunds an amount equal  
15 to the overpayment sought to be collected by the State  
16 and pay such amount to the State agency.

17 “(b) REGULATIONS.—The Secretary of the Treasury  
18 shall issue regulations, approved by the Secretary of  
19 Health and Human Services, that provide—

20 “(1) that a State may only submit under sub-  
21 section (a) requests for collection of overpayments  
22 with respect to individuals—

23 “(A) who are no longer receiving tem-  
24 porary employment assistance under the State  
25 plan approved under this part,

1           “(B) with respect to whom the State has  
2           already taken appropriate action under State  
3           law against the income or resources of the indi-  
4           viduals or families involved; and

5           “(C) to whom the State agency has given  
6           notice of its intent to request withholding by  
7           the Secretary of the Treasury from the income  
8           tax refunds of such individuals;

9           “(2) that the Secretary of the Treasury will  
10          give a timely and appropriate notice to any other  
11          person filing a joint return with the individual whose  
12          refund is subject to withholding under subsection  
13          (a); and

14          “(3) the procedures that the State and the Sec-  
15          retary of the Treasury will follow in carrying out  
16          this section which, to the maximum extent feasible  
17          and consistent with the specific provisions of this  
18          section, will be the same as those issued pursuant to  
19          section 464(b) applicable to collection of past-due  
20          child support.”.

21          (b) PAYMENTS TO PUERTO RICO.—Section  
22          1108(a)(1) (42 U.S.C. 1308(a)(1)) is amended—

23                  (1) in subparagraph (F), by striking “or”; and

24                  (2) by striking subparagraph (G) and inserting  
25          the following:

1           “(G) \$82,000,000 with respect to each of  
2           fiscal years 1989 through 1995, or

3           “(H) \$102,500,000 with respect to the fis-  
4           cal year 1996 and each fiscal year thereafter;”.

5           (c) CONFORMING AMENDMENTS RELATING TO COL-  
6           LECTION OF OVERPAYMENTS.—

7           (1) Section 6402 of the Internal Revenue Code  
8           of 1986 (relating to authority to make credits or re-  
9           funds), as amended by section 561(a), is amended—

10           (A) in subsection (a), by striking “(c) and  
11           (d)” and inserting “(c), (d), and (e)”;

12           (B) by redesignating subsections (e)  
13           through (i) as subsections (f) through (j), re-  
14           spectively; and

15           (C) by inserting after subsection (d) the  
16           following:

17           “(g) COLLECTION OF OVERPAYMENTS UNDER TITLE  
18           IV–A OF THE SOCIAL SECURITY ACT.—The amount of  
19           any overpayment to be refunded to the person making the  
20           overpayment shall be reduced (after reductions pursuant  
21           to subsections (c) and (d), but before a credit against fu-  
22           ture liability for an internal revenue tax) in accordance  
23           with section 417 of the Social Security Act (concerning  
24           recovery of overpayments to individuals under State plans  
25           approved under part A of title IV of such Act).”.

1           (2) Section 552a(a)(8)(B)(iv)(III) of title 5,  
2       United States Code, is amended by striking “section  
3       464 or 1137 of the Social Security Act” and insert-  
4       ing “section 417, 464, or 1137 of the Social Secu-  
5       rity Act.”

6       (d) EFFECTIVE DATES.—

7           (1) IN GENERAL.—Except as provided in para-  
8       graph (2), the amendments made by this section  
9       shall be effective with respect to calendar quarters  
10      beginning on or after October 1, 1996.

11          (2) SPECIAL RULE.—In the case of a State that  
12      the Secretary of Health and Human Services deter-  
13      mines requires State legislation (other than legisla-  
14      tion appropriating funds) in order to meet the re-  
15      quirements imposed by the amendment made by  
16      subsection (a), the State shall not be regarded as  
17      failing to comply with the requirements of such  
18      amendment before the first day of the first calendar  
19      quarter beginning after the close of the first regular  
20      session of the State legislature that begins after the  
21      date of enactment of this Act. For purposes of this  
22      paragraph, in the case of a State that has a 2-year  
23      legislative session, each year of the session shall be  
24      treated as a separate regular session of the State  
25      legislature.

1           **TITLE II—WORK FIRST**  
2           **EMPLOYMENT BLOCK GRANT**

3   **SEC. 201. WORK FIRST EMPLOYMENT BLOCK GRANT.**

4           (a) IN GENERAL.—Title IV (42 U.S.C. 601 et seq.)  
5 is amended by striking part F and inserting the following:

6           **“Part F—Work First Employment Block Grant**

7                           **Program**

8           **“Subpart 1—Establishment and Operation of State**

9                           **Programs**

10   **“SEC. 481. GOALS OF THE WORK FIRST PROGRAM.**

11           “The goals of a Work First program are as follows:

12               “(1) OBJECTIVE.—The objective of the pro-  
13 gram is for each adult receiving temporary employ-  
14 ment assistance to find and hold full-time  
15 unsubsidized paid employment, and for this objective  
16 to be achieved in a cost-effective fashion.

17               “(2) STRATEGY.—The strategy of the program  
18 is to connect clients of temporary employment assist-  
19 ance with the private sector labor market as soon as  
20 possible and offer such clients the support and skills  
21 necessary to remain in the labor market. Each com-  
22 ponent of the program should emphasize employ-  
23 ment and the understanding that minimum wage  
24 jobs are a stepping stone to more highly paid em-  
25 ployment.



1           “(3) JOB CREATION.—The creation of jobs,  
 2           with an emphasis on private sector jobs, through the  
 3           options available under subpart 2, shall be a compo-  
 4           nent of the block grant program and shall be a pri-  
 5           ority for each State office with responsibilities under  
 6           the program.

7           “(4) FORMS OF ASSISTANCE.—The State shall  
 8           provide assistance to clients in the program through  
 9           a range of components, which may include job place-  
 10          ment services (including vouchers for job placement  
 11          services), work supplementation programs, tem-  
 12          porary subsidized job creation, assistance in estab-  
 13          lishing microenterprises, job counseling services, or  
 14          other work-related activities, to provide individuals  
 15          with the support and skills necessary to obtain and  
 16          keep employment in the private sector (including  
 17          education and training, if necessary).

18   **“SEC. 482. REQUIREMENT THAT RECIPIENTS ENTER THE**  
 19                           **WORK FIRST PROGRAM.**

20          “(a) IN GENERAL.—Except as provided in subsection  
 21   (b), the State may place in the Work First program—

22               “(1) clients of temporary employment assist-  
 23               ance pursuant to the State plan approved under part  
 24               A who have signed a parent empowerment contract  
 25               as described in section 403(b); and

1           “(2) absent parents who are unemployed, on  
2           the condition that, once employed, such parents  
3           meet their child support obligations.

4           “(b) EXCEPTIONS.—A State may not require a client  
5           of temporary employment assistance to participate in the  
6           Work First program (although a client may volunteer), if  
7           the client—

8           “(1) is seriously ill, incapacitated, or of ad-  
9           vanced age;

10           “(2)(A) except for a child described in subpara-  
11           graph (B), is a parent with a child under age 1 year  
12           (or age 6 months, at the option of the State), or

13           “(B) in the case of a 2nd or subsequent child  
14           born after a parent has become a client, is a parent  
15           with a child under age 3 months;

16           “(3) is pregnant in the 3rd trimester;

17           “(4) is caring for a family member who is ill or  
18           incapacitated; or

19           “(5) is under age 18 (or age 19, at the option  
20           of the State).

21           “(c) NONDISPLACEMENT.—

22           “(1) IN GENERAL.—The Work First program  
23           shall not displace any employee or position (includ-  
24           ing partial displacement, such as a reduction in the  
25           hours of nonovertime work, wages, or employment

1 benefits), fill any unfilled vacancy, impair existing  
2 contracts for services, be inconsistent with existing  
3 laws, regulations, or collective bargaining agree-  
4 ments, or infringe upon the recall rights or pro-  
5 motional opportunities of any worker. Work activi-  
6 ties shall be in addition to activities that otherwise  
7 would be available and shall not supplant the hiring  
8 of employed workers not funded under the program.

9 “(2) ENFORCING ANTI-DISPLACEMENT PROTEC-  
10 TIONS.—The State shall establish and maintain an  
11 impartial grievance procedure to resolve any com-  
12 plaints alleging violations of the requirements of  
13 paragraph (1) within 60 days and, if a decision is  
14 adverse to the party who filed such grievance or no  
15 decision has been reached, provide for the comple-  
16 tion of an arbitration procedure within 75 days. Ap-  
17 peals may be made to the Secretary who shall make  
18 a decision within 75 days. Remedies shall include  
19 termination or suspension of payments, prohibition  
20 of the placement of the participant, reinstatement of  
21 an employee, and other relief to make an aggrieved  
22 employee whole. If a grievance is filed regarding a  
23 proposed placement of a participant, such placement  
24 shall not be made unless such placement is consist-

1 ent with the resolution of the grievance pursuant to  
 2 this paragraph.

3 **“Subpart 2—Program Performance**

4 **“SEC. 485. WORK PERFORMANCE RATES; PERFORMANCE-**  
 5 **BASED BONUSES.**

6 “(a) WORK PERFORMANCE RATES.—

7 “(1) REQUIREMENT.—A State that operates a  
 8 program under this part shall achieve a work per-  
 9 formance rate for the following fiscal years of not  
 10 less than the following percentages:

11 “(A) 30 percent for fiscal year 1997.

12 “(B) 35 percent for fiscal year 1998.

13 “(C) 40 percent for fiscal year 1999.

14 “(D) 50 percent for fiscal year 2000 or  
 15 thereafter.

16 “(2) WORK PERFORMANCE RATE DEFINED.—

17 “(A) IN GENERAL.—As used in this sub-  
 18 section, the term ‘work performance rate’  
 19 means, with respect to a State and a fiscal  
 20 year, an amount equal to—

21 “(i) the sum of the average monthly  
 22 number of individuals eligible for tem-  
 23 porary employment assistance under the  
 24 State plan approved under part A who,  
 25 during the fiscal year—

1           “(I) obtain employment in an  
2           unsubsidized job and cease to receive  
3           such temporary employment assist-  
4           ance to the extent allowed under sub-  
5           paragraph (B);

6           “(II) work 20 or more hours per  
7           week (or 30 hours, at the option of  
8           the State) in an unsubsidized job  
9           while still receiving such temporary  
10          employment assistance;

11          “(III) work 20 or more hours per  
12          week (or 30 hours, at the option of  
13          the State) in a subsidized job through  
14          the Work First program (other than  
15          through workfare or community serv-  
16          ice under section 493); or

17          “(IV) are parents under the age  
18          of 18 years (or 19 years, at the option  
19          of the State) in school and regularly  
20          attending classes obtaining the basic  
21          skills needed for work; divided by

22          “(ii) the average monthly number of  
23          families with parents eligible for such tem-  
24          porary employment assistance who, during

1 the fiscal year, are not in groups described  
2 under section 482(b).

3 “(B) SPECIAL RULES.—

4 “(i) INDIVIDUALS IN UNSUBSIDIZED  
5 JOBS.—For purposes of subparagraph  
6 (A)(i)(I), an individual shall be considered  
7 to be participating under a State plan ap-  
8 proved under part A for each of the 1st 12  
9 months (without regard to fiscal year)  
10 after an individual ceases to receive tem-  
11 porary employment assistance under such  
12 plan as the result of employment in an  
13 unsubsidized job and during which such in-  
14 dividual does not reapply for such assist-  
15 ance.

16 “(ii) INDIVIDUALS IN WORK FIRST  
17 SUBSIDIZED JOBS.—For purposes of sub-  
18 paragraph (A)(i)(III), individuals in  
19 workfare or community service (as defined  
20 in section 493) may be counted if such in-  
21 dividuals reside in areas—

22 “(I) with an unemployment rate  
23 exceeding 7.5 percent; or

24 “(II) with other circumstances  
25 deemed sufficient by the Secretary.

1                   “(iii) DEEMED COMPLIANCE.—A  
2                   State shall be deemed to have met the re-  
3                   quirement in paragraph (1) if its work per-  
4                   formance rate in a given fiscal year ex-  
5                   ceeds that of the prior fiscal year by 10  
6                   percentage points.

7                   “(3) EFFECT OF FAILURE TO MEET WORK PER-  
8                   FORMANCE RATES.—If a State fails to achieve the  
9                   work performance rate required by paragraph (1)  
10                  for any fiscal year—

11                  “(A) in the case of the 1st failure, the Sec-  
12                  retary shall make recommendations for changes  
13                  in the State Work First program to achieve fu-  
14                  ture required work performance rates; and

15                  “(A) in the case of the 2nd or subsequent  
16                  failure—

17                  “(i) the Secretary shall reduce by 10  
18                  percentage points (or less, at the discretion  
19                  of the Secretary based on the degree of  
20                  failure) the rate of Federal payments for  
21                  the administrative expenses for the State  
22                  plan approved under part A for the subse-  
23                  quent fiscal year;

24                  “(ii) the Secretary shall make further  
25                  recommendations for changes in the State

1 Work First program to achieve future re-  
2 quired work performance rates which the  
3 State may elect to follow; and

4 “(iii) the State shall demonstrate to  
5 the Secretary how the State shall achieve  
6 the required work performance rate for the  
7 subsequent fiscal year.

8 “(b) PERFORMANCE-BASED BONUSES.—

9 “(1) IN GENERAL.—In addition to any other  
10 payment under section 495, each State, beginning in  
11 fiscal year 1997, which has achieved its work per-  
12 formance rate for the fiscal year (as determined  
13 under subsection (a)) shall be entitled to receive a  
14 bonus in the subsequent fiscal year for each individ-  
15 ual eligible for temporary employment assistance  
16 under the State plan approved under part A who is  
17 described in subsection (a)(2)(A)(i) in excess of the  
18 number of such individuals necessary to meet such  
19 work performance rate, but the aggregate of such  
20 bonuses for any fiscal year in the case of any State  
21 may not exceed the limitation determined under  
22 paragraph (3) with respect to the State.

23 “(2) USE OF PAYMENTS.—Bonus payments  
24 under this subsection—



1           “(A) may be used to supplement, not sup-  
 2           plant, State funding of Work First or child care  
 3           activities; and

4           “(B) shall be used in a manner which re-  
 5           wards job retention.

6           “(3) LIMITATION.—

7           “(A) IN GENERAL.—The limitation deter-  
 8           mined under this paragraph with respect to a  
 9           State for any fiscal year is the amount that  
 10          bears the same ratio to the amount specified in  
 11          subparagraph (B) for such fiscal year as the av-  
 12          erage monthly number of adult recipients (as  
 13          defined in section 495(a)(6)) in the State in the  
 14          preceding fiscal year bears to the average  
 15          monthly number of such recipients in all the  
 16          States for such preceding year.

17          “(B) AMOUNT SPECIFIED.—The amount  
 18          specified in this subparagraph is—

19               “(i) \$100,000,000 for fiscal year 1997  
 20               rates payable in fiscal year 1998;

21               “(ii) \$200,000,000 for fiscal year  
 22               1998 rates payable in fiscal year 1999;

23               “(iii) \$300,000,000 for fiscal year  
 24               1999 rates payable in fiscal year 2000;

1                   “(iv) \$400,000,000 for fiscal year  
2                   2000 rates payable in fiscal year 2001;  
3                   and  
4                   “(v) \$500,000,000 for fiscal year  
5                   2001 rates payable in fiscal year 2002.

6                   **“Subpart 3—Program Components**

7                   **“SEC. 486. PROGRAM COMPONENTS.**

8                   “(a) IN GENERAL.—Under the Work First program  
9                   the State shall have the option to provide a wide variety  
10                  of work-related activities to clients in the temporary em-  
11                  ployment assistance program under the State plan ap-  
12                  proved under part A, including job placement services (in-  
13                  cluding vouchers for job placement services), work  
14                  supplementation programs, temporary subsidized job cre-  
15                  ation, assistance in establishing microenterprises, and job  
16                  counseling services described in this subpart.

17                  “(b) JOB SEARCH ACTIVITIES.—Each client, who is  
18                  not exempt from work requirements, shall begin Work  
19                  First by participating in job search activities designed by  
20                  the State for 2 months.

21                  “(b) WORKFARE OR COMMUNITY SERVICE.—If, after  
22                  2 years, a client (who is not exempt from work require-  
23                  ments) who has signed a parent empowerment contract  
24                  is not working at least 20 hours a week (within the mean-  
25                  ing of section 485(a)(2)), then the State shall offer that

1 client a workfare or community service position, with  
2 hours per week and tasks to be determined by the State.

3 **“SEC. 487. JOB PLACEMENT; USE OF PLACEMENT COMPA-**  
4 **NIES.**

5 “(a) IN GENERAL.—The State through the Work  
6 First program may operate its own job placement assist-  
7 ance program or may establish a job placement voucher  
8 program under subsection (b).

9 “(b) JOB PLACEMENT VOUCHER PROGRAM.—A job  
10 placement voucher program established by a State under  
11 this subsection shall include the following requirements:

12 “(1) LIST OF ORGANIZATIONS MAINTAINED.—  
13 The State shall identify, maintain, and make avail-  
14 able to a client a list of State-approved job place-  
15 ment organizations that offer services in the area  
16 where the client resides and a description of the job  
17 placement and support services each such organiza-  
18 tion provides. Such organizations may be publicly or  
19 privately owned and operated.

20 “(2) EXECUTION OF CONTRACT.—A client  
21 shall, at the time the client becomes eligible for tem-  
22 porary employment assistance—

23 “(A) receive the list and description de-  
24 scribed in paragraph (1);

1           “(B) agree, in exchange for job placement  
2           and support services, to—

3           “(i) execute, within a period of time  
4           permitted by the State, a contract with a  
5           State-approved job placement organization  
6           which provides that the organization shall  
7           attempt to find employment for the client;  
8           and

9           “(ii) comply with the terms of the  
10          contract; and

11          “(C) receive a job placement voucher (in  
12          an amount to be determined by the State) for  
13          payment to a State-approved job placement or-  
14          ganization.

15          “(3) USE OF VOUCHER.—At the time a client  
16          executes a contract with a State-approved job place-  
17          ment organization, the client shall provide the orga-  
18          nization with the job placement voucher that the cli-  
19          ent received pursuant to paragraph (2)(C).

20          “(4) REDEMPTION.—A State-approved job  
21          placement organization may redeem for payment  
22          from the State not more than 25 percent of the  
23          value of a job placement voucher upon the initial re-  
24          ceipt of the voucher for payment of costs incurred  
25          in finding and placing a client in an employment po-

1 sition. The remaining value of such voucher shall not  
2 be redeemed for payment from the State until the  
3 State-approved job placement organization—

4 “(A) finds an employment position (as de-  
5 termined by the State) for the client who pro-  
6 vided the voucher; and

7 “(B) certifies to the State that the client  
8 remains employed with the employer that the  
9 organization originally placed the client with for  
10 the greater of—

11 “(i) 6 continuous months; or

12 “(ii) a period determined by the State.

13 “(5) PERFORMANCE-BASED STANDARDS.—

14 “(A) IN GENERAL.—The State shall estab-  
15 lish performance-based standards to evaluate  
16 the success of the State job placement voucher  
17 program operated under this subsection in  
18 achieving employment for clients participating  
19 in such voucher program. Such standards shall  
20 take into account the economic conditions of the  
21 State in determining the rate of success.

22 “(B) ANNUAL EVALUATION.—The State  
23 shall, not less than once a fiscal year, evaluate  
24 the job placement voucher program operated  
25 under this subsection in accordance with the

1 performance-based standards established under  
2 subparagraph (A).

3 “(C) ANNUAL REPORT.—The State shall  
4 submit a report containing the results of an  
5 evaluation conducted under subparagraph (B)  
6 to the Secretary and a description of the per-  
7 formance-based standards used to conduct the  
8 evaluation in such form and under such condi-  
9 tions as the Secretary shall require. The Sec-  
10 retary shall review each report submitted under  
11 this subparagraph and may require the State to  
12 revise the performance-based standards if the  
13 Secretary determines that the State is not  
14 achieving an adequate rate of success for such  
15 State.

16 **“SEC. 488. REVAMPED JOBS PROGRAM.**

17 “The State through the Work First program may op-  
18 erate a program similar to the program known as the  
19 ‘GAIN Program’ that has been operated by Riverside  
20 County, California, under Federal law as in effect imme-  
21 diately before the effective date of this subpart.

22 **“SEC. 489. TEMPORARY SUBSIDIZED JOB CREATION.**

23 “The State through the Work First program may es-  
24 tablish a program similar to the program known as ‘JOBS  
25 Plus’ that has been operated by the State of Oregon under

1 Federal law as in effect immediately before the effective  
2 date of this subpart.

3 **“SEC. 490. FAMILY INVESTMENT PROGRAM.**

4 “The State through the Work First program may es-  
5 tablish a program similar to the program known as the  
6 ‘Family Investment Program’ that has been operated by  
7 the State of Iowa to move families off of welfare and into  
8 self-sufficient employment.

9 **“SEC. 491. MICROENTERPRISE.**

10 “(a) GRANTS AND LOANS TO NONPROFIT ORGANIZA-  
11 TIONS FOR THE PROVISION OF TECHNICAL ASSISTANCE,  
12 TRAINING, AND CREDIT TO LOW INCOME ENTRE-  
13 PRENEURS.—The State through the Work First program  
14 may make grants and loans to nonprofit organizations to  
15 provide technical assistance, training, and credit to low in-  
16 come entrepreneurs for the purpose of establishing  
17 microenterprises.

18 “(b) MICROENTERPRISE DEFINED.—For purposes of  
19 this section, the term ‘microenterprise’ means a commer-  
20 cial enterprise which has 5 or fewer employees, 1 or more  
21 of whom owns the enterprise.

22 **“SEC. 492. WORK SUPPLEMENTATION PROGRAM.**

23 “(a) IN GENERAL.—The State through the Work  
24 First program may institute a work supplementation pro-  
25 gram under which the State, to the extent it considers ap-

1 appropriate, may reserve the sums that would otherwise be  
2 payable to clients in the temporary employment assistance  
3 program under the State plan approved under part A and  
4 use the sums instead for the purpose of providing and sub-  
5 sidizing jobs for clients as an alternative to the temporary  
6 employment assistance that would otherwise be so payable  
7 to the clients.

8 “(b) SAMPLING METHODOLOGY PERMITTED.—In de-  
9 termining the amounts to be reserved and used for provid-  
10 ing and subsidizing jobs under this section as described  
11 in subsection (a), the State may use a sampling methodol-  
12 ogy.

13 “(c) SUPPLEMENTED JOB.—For purposes of this sec-  
14 tion, a supplemented job is—

15 “(1) a job provided to an eligible client by the  
16 State or local agency administering the State plan  
17 under part A; or

18 “(2) a job provided to an eligible client by any  
19 other employer for which at least part of the wages  
20 are paid by the State or local agency.

21 A State may provide or subsidize under the program any  
22 job which the State determines to be appropriate.

23 “(d) COST LIMITATION.—The amount of the Federal  
24 payment to a State under section 413 for expenditures in-  
25 curred in making payments to clients and employers under



1 a work supplementation program under this section shall  
2 not exceed an amount equal to the amount which would  
3 otherwise be payable under such section 413 if the family  
4 of each client employed in the program established in the  
5 State under this section had received the maximum  
6 amount of temporary employment assistance payable  
7 under the State plan approved under part A to such a  
8 family with no income for the number of months in which  
9 the client was employed in the program.

10 “(e) RULES OF INTERPRETATION.—

11 “(1) NO EMPLOYEE STATUS REQUIRED.—This  
12 section shall not be construed as requiring the State  
13 or local agency administering the State plan ap-  
14 proved under part A to provide employee status to  
15 an eligible client to whom the State or local agency  
16 provides a job under the work supplementation pro-  
17 gram (or with respect to whom the State or local  
18 agency provides all or part of the wages paid to the  
19 client by another entity under the program).

20 “(2) WAGES ARE CONSIDERED EARNED IN-  
21 COME.—Wages paid under a work supplementation  
22 program shall be considered to be earned income for  
23 purposes of any provision of law.

24 “(f) PRESERVATION OF MEDICAID ELIGIBILITY.—

25 Any State that chooses to operate a work supplementation

1 program under this section shall provide that any client  
2 who participates in the program, and any child or relative  
3 of the client (or other individual living in the same house-  
4 hold as the client) who would be eligible for temporary  
5 employment assistance under the State plan approved  
6 under part A if the State did not have a work  
7 supplementation program, shall be considered individuals  
8 receiving temporary employment assistance under the  
9 State plan approved under part A for purposes of eligi-  
10 bility for medical assistance under the State plan approved  
11 under title XIX.

12 **“SEC. 493. WORKFARE AND COMMUNITY SERVICE.**

13       “(a) IN GENERAL.—A State through the Work First  
14 program may establish and carry out a workfare or com-  
15 munity service program that meets the requirements of  
16 this section.

17       “(b) WORKFARE DEFINED.—For purposes of this  
18 section, the term ‘workfare’ means a job provided to a cli-  
19 ent by the State administering the State plan under part  
20 A with respect to which the client works in return for as-  
21 sistance under such plan and receives no wages.

22       “(c) COMMUNITY SERVICE DEFINED.—For purposes  
23 of this section, the term ‘community service’ means work  
24 of benefit to the community, such as volunteer work in  
25 schools and community organizations.

1       “(d) ASSISTANCE NOT CONSIDERED EARNED IN-  
2 COME.—Assistance paid under a workfare program shall  
3 not be considered to be earned income for purposes of any  
4 provision of law.

5       “(e) USE OF PLACEMENT COMPANIES.—A State that  
6 establishes a workfare or community service program  
7 under this section may enter into contracts with private  
8 companies (whether operated for profit or not for profit)  
9 for the placement of clients in the program in positions  
10 of full-time employment, preferably in the private sector,  
11 for wages sufficient to eliminate the need of such clients  
12 for temporary employment assistance.

13                               **“Subpart 4—Funding**

14       **“SEC. 495. FUNDING.**

15       “(a) FUNDING FOR WORK FIRST.—

16               “(1) IN GENERAL.—Each State that is operat-  
17 ing a program in accordance with this part shall be  
18 entitled to payments under subsection (b) for any  
19 fiscal year in an amount equal to the sum of the ap-  
20 plicable percentages (specified in such subsection) of  
21 its expenditures to carry out such program (subject  
22 to limitations prescribed by or pursuant to this part  
23 or this section on expenditures that may be included  
24 for purposes of determining payments under sub-  
25 section (b)), but such payments for any fiscal year

1 in the case of any State may not exceed the limita-  
 2 tion determined under paragraph (2) with respect to  
 3 the State.

4 “(2) LIMITATION.—The limitation determined  
 5 under this paragraph with respect to a State for any  
 6 fiscal year is the amount that bears the same ratio  
 7 to the amount specified in paragraph (3) for such  
 8 fiscal year as the average monthly number of adult  
 9 recipients (as defined in paragraph (5)) in the State  
 10 in the preceding fiscal year bears to the average  
 11 monthly number of such recipients in all the States  
 12 for such preceding year.

13 “(3) AMOUNT SPECIFIED.—Subject to para-  
 14 graph (4), the amount specified in this paragraph  
 15 is—

16 “(A) \$1,700,000,000 for fiscal year 1997;

17 “(B) \$1,900,000,000 for fiscal year 1998;

18 “(C) \$2,200,000,000 for fiscal year 1999;

19 and

20 “(D) \$2,500,000,000 for fiscal years 2000,  
 21 2001, and 2002.

22 “(4) INDIAN TRIBAL GOVERNMENTS.—

23 “(A) APPLICATION.—

24 “(i) IN GENERAL.—An Indian tribe or  
 25 Alaska Native organization may apply at

1 any time to the Secretary (in such manner  
2 as the Secretary prescribes) to conduct a  
3 Work First program.

4 “(ii) PARTICIPATION.—If a tribe or  
5 organization chooses to apply and the ap-  
6 plication is approved, such tribe or organi-  
7 zation shall be entitled to a direct payment  
8 in the amount determined in accordance  
9 with the provisions of subparagraph (B)  
10 for each fiscal year beginning after such  
11 approval.

12 “(iii) NO PARTICIPATION.—If a tribe  
13 or organization chooses not to apply, the  
14 amount that would otherwise be available  
15 to such tribe or organization for the fiscal  
16 year shall be payable to the State in which  
17 that tribe or organization is located. Such  
18 amount shall be used by that State to pro-  
19 vide Work First program services to the  
20 recipients living within that tribe or orga-  
21 nization’s jurisdiction.

22 “(iv) NO MATCH REQUIRED.—Indian  
23 tribes and Alaska Native organizations  
24 shall not be required to submit a monetary

1 match to receive a payment under this  
2 paragraph.

3 “(B) PAYMENT AMOUNT.—

4 “(i) IN GENERAL.—The Secretary  
5 shall pay directly to each Indian tribe or  
6 Alaska Native organization conducting a  
7 Work First program for a fiscal year an  
8 amount which bears the same ratio to 3  
9 percent of the amount specified under  
10 paragraph (3) for such fiscal year as the  
11 adult Indian or Alaska Native population  
12 receiving temporary employment assistance  
13 residing within the area to be served by  
14 the tribe or organization bears to the total  
15 of such adults receiving such assistance re-  
16 siding within all areas which any such  
17 tribe or organization could serve.

18 “(ii) ADJUSTMENTS.—The Secretary  
19 shall from time to time review the compo-  
20 nents of the ratios established in clause (i)  
21 to determine whether the individual pay-  
22 ments under this paragraph continue to re-  
23 flect accurately the distribution of popu-  
24 lation among the grantees, and shall make

1 adjustments necessary to maintain the cor-  
2 rect distribution of funding.

3 “(C) USE IN SUCCEEDING FISCAL YEAR.—  
4 A grantee under this paragraph may use not to  
5 exceed 20 percent of the amount for the fiscal  
6 year under subparagraph (B) to carry out the  
7 Work First program in the succeeding fiscal  
8 year.

9 “(D) VOLUNTARY TERMINATION.—An In-  
10 dian tribe or Alaska Native organization may  
11 voluntarily terminate its Work First program.  
12 The amount under subparagraph (B) with re-  
13 spect to such program for the fiscal year shall  
14 be payable to the State in which that tribe or  
15 organization is located. Such amount shall be  
16 used by that State to provide Work First pro-  
17 gram services to the recipients living within  
18 that tribe or organization’s jurisdiction. If a  
19 voluntary termination of a Work First program  
20 occurs under this subparagraph, the tribe or or-  
21 ganization shall not be eligible to submit an ap-  
22 plication under this paragraph before the 6th  
23 year following such termination.

24 “(E) JOINT PROGRAMS.—An Indian tribe  
25 or Alaska Native organization may also apply to

1           the Secretary jointly with 1 or more such tribes  
2           or organizations to administer a Work First  
3           program as a consortium. The Secretary shall  
4           establish such terms and conditions for such  
5           consortium as are necessary.

6           “(5) JOB CREATION.—Of the amount specified  
7           under paragraph (3), 5 percent shall be set aside by  
8           the Secretary for the program described in section  
9           203(b) of the Work First Act of 1995.

10          “(6) DEFINITION.—For purposes of this sub-  
11          section, the term ‘adult recipient’ in the case of any  
12          State means an individual other than a needy child  
13          (unless such child is the custodial parent of another  
14          needy child) whose needs are met (in whole or in  
15          part) with payments of temporary employment as-  
16          sistance.

17          “(b) STATE ALLOCATIONS.—

18          “(1) IN GENERAL.—The Secretary shall pay to  
19          each State that is operating a program in accord-  
20          ance with part F, with respect to expenditures by  
21          the State to carry out such program (including ex-  
22          penditures for child care under section 405(b), but  
23          only with respect to a State to which section 1108  
24          applies), an amount equal to—



1           “(A) with respect to so much of such ex-  
2           penditures in a fiscal year as do not exceed the  
3           State’s expenditures in the fiscal year 1987  
4           with respect to which payments were made to  
5           such State from its allotment for such fiscal  
6           year pursuant to part C of this title as then in  
7           effect, 90 percent; and

8           “(B) with respect to so much of such ex-  
9           penditures in a fiscal year as exceed the amount  
10          described in subparagraph (A)—

11           “(i) 50 percent, in the case of expend-  
12          itures for administrative costs (including  
13          costs of emergency assistance) made by a  
14          State in operating such program for such  
15          fiscal year (other than the costs of trans-  
16          portation and the personnel costs for case  
17          management staff employed full-time in  
18          the operation of such program); and

19           “(ii) 70 percent or the Federal medi-  
20          cal assistance percentage (as defined in  
21          section 1905(b)) increased by 10 percent-  
22          age points, whichever is the greater, in the  
23          case of expenditures made by a State in  
24          operating such program for such fiscal

1                   year (other than for costs described in  
2                   clause (i)).

3                   “(2) FORM OF PAYMENT.—With respect to the  
4                   amount for which payment is made to a State under  
5                   paragraph (1)(A), the State’s expenditures for the  
6                   costs of operating such program may be in cash or  
7                   in kind, fairly evaluated.

8                   “(3) USE OF FUNDS.—A State may use  
9                   amounts allocated under this subsection for all costs  
10                  deemed necessary to assist program clients obtain  
11                  and retain jobs, including emergency day care assist-  
12                  ance or sick day care assistance, uniforms, eye-  
13                  glasses, transportation, wage subsidies, and other  
14                  employment-related special needs, as defined by the  
15                  State. Such assistance may be provided through con-  
16                  tract with community-based family resource pro-  
17                  grams under title II of the Child Abuse Prevention  
18                  and Treatment Act (42 U.S.C. 5116 et seq.).”.

19                  (b) EFFECTIVE DATES.—

20                  (1) IN GENERAL.—Except as otherwise pro-  
21                  vided in this subsection, the amendment made by  
22                  subsection (a) shall be effective with respect to cal-  
23                  endar quarters beginning on or after October 1,  
24                  1996.

1           (2) SPECIAL RULE.—In the case of a State that  
2           the Secretary of Health and Human Services deter-  
3           mines requires State legislation (other than legisla-  
4           tion appropriating funds) in order to meet the re-  
5           quirements imposed by the amendment made by  
6           subsection (a), the State shall not be regarded as  
7           failing to comply with the requirements of such  
8           amendment before the first day of the first calendar  
9           quarter beginning after the close of the first regular  
10          session of the State legislature that begins after the  
11          date of enactment of this Act. For purposes of this  
12          paragraph, in the case of a State that has a 2-year  
13          legislative session, each year of the session shall be  
14          treated as a separate regular session of the State  
15          legislature.

16          (3) STATE OPTION TO ACCELERATE APPLICA-  
17          BILITY.—If a State formally notifies the Secretary  
18          of Health and Human Services that the State de-  
19          sires to accelerate the applicability to the State of  
20          the amendment made by subsection (a), the amend-  
21          ment shall apply to the State on and after such ear-  
22          lier date as the State may select.

23          (4) AUTHORITY OF THE SECRETARY OF  
24          HEALTH AND HUMAN SERVICES TO DELAY APPLICA-  
25          BILITY TO A STATE.—If a State formally notifies the

1 Secretary of Health and Human Services that the  
 2 State desires to delay the applicability to the State  
 3 of the amendment made by subsection (a), the  
 4 amendment shall apply to the State on and after any  
 5 later date agreed upon by the Secretary and the  
 6 State.

7 **SEC. 202. CONSOLIDATION AND STREAMLINING OF SERV-**  
 8 **ICES.**

9 (a) IN GENERAL.—Section 407, as added by section  
 10 101(a), is amended by adding at the end the following new  
 11 subsections:

12 “(i) CHANGING THE WELFARE BUREAUCRACY.—

13 “(1) IN GENERAL.—The State plan may de-  
 14 scribe the State’s efforts to streamline and consoli-  
 15 date activities to simplify the process of applying for  
 16 a range of Federal and State assistance programs,  
 17 including the use of—

18 “(A) ‘one-stop offices’ to coordinate the  
 19 application process for individuals and families  
 20 with low-incomes or limited resources and to  
 21 ensure that applicants and recipients receive the  
 22 information they need with regard to such  
 23 range of programs; and

1           “(B) forms which are easy to read and un-  
2           derstand or easily explained by State agency  
3           employees.

4           “(2) USE OF INCENTIVES.—The State plan  
5           may require the use of incentives (including Work  
6           First program funds) to change the culture of each  
7           State agency office with responsibilities under the  
8           State plan, to improve the performance of employ-  
9           ees, and to ensure that the objective of each em-  
10          ployee of each such State office is to find  
11          unsubsidized paid employment for each program cli-  
12          ent as efficiently and as quickly as possible.

13          “(3) CASEWORKER TRAINING AND RETRAIN-  
14          ING.—The State plan may provide such training to  
15          caseworkers and related personnel as may be nec-  
16          essary to ensure successful job placements that re-  
17          sult in full-time public or private employment (out-  
18          side the State agencies with responsibilities under  
19          part A) for program clients.

20          “(j) COORDINATION OF SERVICES.—The State plan  
21          shall provide that the State agency may—

22               “(1) establish convenient locations in each com-  
23               munity at which individuals and families with low-  
24               incomes or limited resources may apply for and (if  
25               appropriate) receive, directly or through referral to

1 the appropriate provider, in appropriate languages  
2 and in a culturally sensitive manner—

3 “(A) temporary employment assistance  
4 under the State plan;

5 “(B) employment and education counsel-  
6 ing;

7 “(C) job placement;

8 “(D) child care;

9 “(E) health care;

10 “(F) transportation assistance;

11 “(G) housing assistance;

12 “(H) child support services;

13 “(I) assistance under the National and  
14 Community Service Act of 1990 and the Do-  
15 mestic Volunteer Service Act of 1973;

16 “(J) unemployment insurance;

17 “(K) assistance under the Carl D. Perkins  
18 Vocational and Applied Technology Education  
19 Act;

20 “(L) assistance under the School-to-Work  
21 Opportunities Act of 1994;

22 “(M) assistance under Federal student  
23 loan programs;

24 “(N) assistance under the Job Training  
25 Partnership Act; and

1           “(O) other types of counseling and support  
2           services; and

3           “(2) assign to each recipient of assistance  
4           under the State plan, and to each applicant for such  
5           assistance, a case manager who—

6           “(A) is knowledgeable about community re-  
7           sources;

8           “(B) is qualified to refer the applicant or  
9           recipient to appropriate employment programs  
10          or education and training programs, or both,  
11          and needed health and social services; and

12          “(C) is required to coordinate the provision  
13          of benefits and services by the State to the ap-  
14          plicant or recipient, until the applicant or recip-  
15          ient is no longer eligible for—

16               “(i) assistance under the State plan;

17               “(ii) child care guaranteed by the  
18               State in accordance with section 405(b);  
19               and

20               “(iii) medical assistance under the  
21               State plan approved under title XIX.”.

22          (b) TECHNICAL ASSISTANCE.—The Secretary of  
23          Health and Human Services shall provide technical assist-  
24          ance and training to States to assist the States in imple-  
25          menting effective management practices and strategies in

1 order to make the operation of State offices described in  
2 section 407(i) of the Social Security Act (as added by sub-  
3 section (a)) efficient and effective.

4 **SEC. 203. JOB CREATION.**

5 (a) GRANTS TO COMMUNITY-BASED ORGANIZA-  
6 TIONS.—

7 (1) IN GENERAL.—The Secretary of Health and  
8 Human Services (in this section referred to as the  
9 “Secretary”) may make grants in accordance with  
10 this subsection using funds described in paragraph  
11 (2), and, to the extent allowed by the States, Work  
12 First funds under part F of title IV of the Social Se-  
13 curity Act, to community-based organizations that  
14 move clients of temporary employment assistance  
15 under a State plan approved under part A of title  
16 IV of the Social Security Act or under other public  
17 assistance programs into private sector work.

18 (2) AUTHORIZATION OF APPROPRIATIONS.—  
19 There are authorized to be appropriated to carry out  
20 this subsection \$25,000,000 for fiscal year 1996 and  
21 \$50,000,000 for fiscal years 1997, 1998, 1999,  
22 2000, 2001, and 2002.

23 (3) ELIGIBLE ORGANIZATIONS.—The Secretary  
24 shall award grants to community-based organiza-  
25 tions that—



1 (A) may receive at least 5 percent of their  
2 funding from local government sources; and

3 (B) move clients referred to in paragraph  
4 (1) in the direction of unsubsidized private em-  
5 ployment by integrating and co-locating at least  
6 5 of the following services—

7 (i) case management;

8 (ii) job training;

9 (iii) child care;

10 (iv) housing;

11 (v) health care services;

12 (vi) nutrition programs;

13 (vii) life skills training; and

14 (viii) parenting skills.

15 (4) AWARDING OF GRANTS.—

16 (A) IN GENERAL.—The Secretary shall  
17 award grants based on the quality of applica-  
18 tions, subject to subparagraphs (B) and (C).

19 (B) PREFERENCE IN AWARDING  
20 GRANTS.—In awarding grants under this sub-  
21 section, the Secretary shall give preference to  
22 organizations which receive more than 50 per-  
23 cent of their funding from State government,  
24 local government or private sources.

1 (C) DISTRIBUTION OF GRANT.—The Sec-  
2 retary shall award at least 1 grant to each  
3 State from which the Secretary received an ap-  
4 plication.

5 (D) LIMITATION ON SIZE OF GRANT.—The  
6 Secretary shall not award any grants under this  
7 subsection of more than \$1,000,000.

8 (5) ISSUANCE OF REGULATIONS.—Not less than  
9 6 months after the date of the enactment of this  
10 subsection, the Secretary shall prescribe such regula-  
11 tions as may be necessary to implement this sub-  
12 section.

13 (b) GRANTS TO EXPAND THE NUMBER OF JOB OP-  
14 PORTUNITIES AVAILABLE TO CERTAIN LOW-INCOME IN-  
15 DIVIDUALS.—

16 (1) IN GENERAL.—The Secretary shall enter  
17 into agreements with nonprofit organizations (in-  
18 cluding community development corporations) sub-  
19 mitting applications under this subsection for the  
20 purpose of conducting projects in accordance with  
21 paragraph (2) and funded under section 495(a)(5)  
22 to create employment opportunities for certain low-  
23 income individuals.

24 (2) NATURE OF PROJECT.—

1           (A) IN GENERAL.—Each nonprofit organi-  
2           zation conducting a project under this sub-  
3           section shall provide technical and financial as-  
4           sistance to private employers in the community  
5           to assist such employers in creating employ-  
6           ment and business opportunities for those indi-  
7           viduals eligible to participate in the projects as  
8           described in this paragraph.

9           (B) NONPROFIT ORGANIZATIONS.—For  
10          purposes of this subsection, a nonprofit organi-  
11          zation is any organization (including a commu-  
12          nity development corporation) exempt from tax-  
13          ation under section 501(a) of the Internal Reve-  
14          nue Code of 1986 by reason of paragraph (3)  
15          or (4) of section 501(c) of such Code.

16          (C) ELIGIBLE LOW-INCOME INDIVID-  
17          UALS.—For purposes of this subsection, a low-  
18          income individual eligible to participate in a  
19          project conducted under this subsection is any  
20          individual eligible to receive temporary employ-  
21          ment assistance under part A of title IV of the  
22          Social Security Act (as added by section 101 of  
23          this Act) and any other individual whose income  
24          level does not exceed 100 percent of the poverty  
25          line (as such term is defined in section 673(2)

1 of the Community Services Block Grant Act  
2 (42 U.S.C. 9902(2)), including any revision re-  
3 quired by such section).

4 (3) CONTENT OF APPLICATIONS; SELECTION  
5 PRIORITY.—

6 (A) CONTENT OF APPLICATIONS.—Each  
7 nonprofit organization submitting an applica-  
8 tion under this subsection shall, as part of such  
9 application, describe—

10 (i) the technical and financial assist-  
11 ance that will be made available under the  
12 project conducted under this subsection;

13 (ii) the geographic area to be served  
14 by the project;

15 (iii) the percentage of low-income indi-  
16 viduals (as described in paragraph (2)(C))  
17 and individuals receiving temporary em-  
18 ployment assistance under title IV of the  
19 Social Security Act (as so added) in the  
20 area to be served by the project; and

21 (iv) unemployment rates in the geo-  
22 graphic areas to be served and (to the ex-  
23 tent practicable) the jobs available and  
24 skills necessary to fill those vacancies in  
25 such areas.

(B) SELECTION PRIORITY.—In approving applications under this subsection, the Secretary shall give priority to applications proposing to serve those areas containing the highest percentage of individuals receiving temporary employment assistance under title IV of such Act (as so added).

(4) ADMINISTRATION.—Each nonprofit organization participating in a project conducted under this subsection shall provide assurances in its agreement with the Secretary that the organization has or will have a cooperative relationship with the agency responsible for administering the Work First program (as provided for under part F of title IV of the Social Security Act, as added by section 201 of this Act) in the area served by the project.

## **TITLE III—SUPPORTING WORK**

### **SEC. 301. EXTENSION OF TRANSITIONAL MEDICAID BENEFITS.**

(a) EXTENSION OF MEDICAID ENROLLMENT FOR FORMER TEMPORARY EMPLOYMENT ASSISTANCE RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r-6(b)(1)) is amended by striking the period at the end and inserting the following: “, and

1 shall provide that the State shall offer to each such  
 2 family the option of extending coverage under this  
 3 subsection for an additional 2 succeeding 6-month  
 4 periods in the same manner and under the same  
 5 conditions as the option of extending coverage under  
 6 this subsection for the first succeeding 6-month pe-  
 7 riod.”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) IN GENERAL.—Section 1925 (42  
 10 U.S.C. 1396r-6) is amended—

11 (i) in subsection (b)—

12 (I) in the heading, by striking  
 13 “EXTENSION” and inserting “EXTEN-  
 14 SIONS”;

15 (II) in the heading of paragraph  
 16 (1), by striking “REQUIREMENT” and  
 17 inserting “IN GENERAL”;

18 (III) in paragraph (2)(B)(ii)—

19 (aa) in the heading, by  
 20 striking “PERIOD” and inserting  
 21 “PERIODS”; and

22 (bb) by striking “in the pe-  
 23 riod” and inserting “in each of  
 24 the 6-month periods”;

1 (IV) in paragraph (3)(A), by  
 2 striking “the 6-month period” and in-  
 3 serting “any 6-month period”;

4 (V) in paragraph (4)(A), by  
 5 striking “the extension period” and  
 6 inserting “any extension period”; and

7 (VI) in paragraph (5)(D)(i), by  
 8 striking “is a 3-month period” and all  
 9 that follows and inserting the follow-  
 10 ing: “is, with respect to a particular  
 11 6-month additional extension period  
 12 provided under this subsection, a 3-  
 13 month period beginning with the first  
 14 or fourth month of such extension pe-  
 15 riod.”; and

16 (ii) by striking subsection (f).

17 (B) FAMILY SUPPORT ACT.—Section  
 18 303(f)(2) of the Family Support Act of 1988  
 19 (42 U.S.C. 602 note) is amended—

20 (i) by striking “(A)”;

21 (ii) by striking subparagraphs (B) and

22 (C).

23 (b) TRANSITIONAL ELIGIBILITY FOR MEDICAID.—  
 24 Part A of title IV, as added by section 101(a) is amended  
 25 by adding at the end the following new section:

1 **“SEC. 417. TRANSITIONAL ELIGIBILITY FOR MEDICAID.**

2 “Each needy child, and each relative with whom such  
3 a child is living (including the spouse of such relative),  
4 who becomes ineligible for temporary employment assist-  
5 ance as a result (wholly or partly) of the collection or in-  
6 creased collection of child or spousal support under part  
7 D of this title, and who has received such assistance in  
8 at least 3 of the 6 months immediately preceding the  
9 month in which such ineligibility begins, shall be deemed  
10 to be a recipient of temporary employment assistance for  
11 purposes of title XIX for an additional 4 calendar months  
12 beginning with the month in which such ineligibility be-  
13 gins.”.

14 (c) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as provided in para-  
16 graph (2), the amendments made by this section  
17 shall apply to calendar quarters beginning on or  
18 after October 1, 1996, without regard to whether  
19 final regulations to carry out such amendments have  
20 been promulgated by such date.

21 (2) WHEN STATE LEGISLATION IS REQUIRED.—

22 In the case of a State plan for medical assistance  
23 under title XIX of the Social Security Act which the  
24 Secretary of Health and Human Services determines  
25 requires State legislation (other than legislation ap-  
26 propriating funds) in order for the plan to meet the



1 additional requirements imposed by the amendments  
 2 made by this section, the State plan shall not be re-  
 3 garded as failing to comply with the requirements of  
 4 such title solely on the basis of its failure to meet  
 5 these additional requirements before the first day of  
 6 the first calendar quarter beginning after the close  
 7 of the first regular session of the State legislature  
 8 that begins after the date of the enactment of this  
 9 Act. For purposes of the previous sentence, in the  
 10 case of a State that has a 2-year legislative session,  
 11 each year of such session shall be deemed to be a  
 12 separate regular session of the State legislature.

13 **SEC. 302. CONSOLIDATED CHILD CARE DEVELOPMENT**  
 14 **BLOCK GRANT.**

15 (a) PURPOSE.—It is the purpose of this section to—

16 (1) eliminate program fragmentation and create  
 17 a seamless system of high quality child care that al-  
 18 lows for continuity of care for children as parents  
 19 move from welfare to work;

20 (2) provide for parental choice among high  
 21 quality child care programs; and

22 (3) increase the availability of high quality af-  
 23 fordable child care in order to promote self suffi-  
 24 ciency and support working families.

1 (b) AMENDMENTS TO CHILD CARE AND DEVELOP-  
2 MENT BLOCK GRANT ACT OF 1990.—

3 (1) APPROPRIATIONS.—Section 658B of the  
4 Child Care and Development Block Grant Act of  
5 1990 (42 U.S.C. 9858) is amended to read as fol-  
6 lows:

7 **“SEC. 658B. APPROPRIATION.**

8 “(a) AUTHORIZATION OF APPROPRIATIONS OF  
9 BLOCK GRANT FUNDS.—For the purpose of providing  
10 child care services for eligible children through the award-  
11 ing of grants to States under this subchapter (other than  
12 the grants awarded under subsection (b)) by the Sec-  
13 retary, there are authorized to be appropriated,  
14 \$949,000,000 for each of the fiscal years 1996 through  
15 2002.

16 “(b) APPROPRIATIONS OF FEDERAL MATCHING  
17 FUNDS.—For the purpose of providing child care services  
18 for eligible children through the awarding of matching  
19 grants to States under section 658J(d) by the Secretary,  
20 there are authorized to be appropriated and are hereby  
21 appropriated, \$1,155,000,000 for fiscal year 1996,  
22 \$1,900,000,000 for fiscal year 1997, \$2,500,000,000 for  
23 fiscal year 1998, \$3,200,000,000 for fiscal year 1999,  
24 \$4,100,000,000 for fiscal year 2000, \$4,600,000,000 for

1 fiscal year 2001, and \$4,900,000,000 for fiscal year  
2 2002.”.

3 (2) USE OF FUNDS.—Section 658E(c)(3)(B) of  
4 the Child Care and Development Block Grant Act of  
5 1990 (42 U.S.C. 9858c(c)(3)(B)) is amended—

6 (A) in clause (i), by striking “with very low  
7 family incomes (taking into consideration family  
8 size)” and inserting “described in clause (ii) (in  
9 the order so described)”;

10 (B) by redesignating clauses (i) and (ii) as  
11 subclauses (I) and (II), respectively, and re-  
12 aligning the margins accordingly;

13 (C) by striking “Subject” and inserting the  
14 following:

15 “(i) IN GENERAL.—Subject”; and

16 (D) by adding at the end the following new  
17 clause:

18 “(ii) FAMILIES DESCRIBED.—The  
19 families described in this clause are the fol-  
20 lowing:

21 “(I) Families containing an indi-  
22 vidual receiving temporary employ-  
23 ment assistance under a State plan  
24 approved under part A of title IV of  
25 the Social Security Act and participat-

1 ing in job search, work, or Work  
2 First.

3 “(II) Families containing an indi-  
4 vidual who—

5 “(aa) no longer qualifies for  
6 child care assistance under sec-  
7 tion 405(b) of the Social Security  
8 Act because such individual has  
9 ceased to receive assistance under  
10 the temporary employment as-  
11 sistance program under part A of  
12 title IV of the Social Security Act  
13 as a result of increased hours of,  
14 or increased income from, em-  
15 ployment; and

16 “(bb) the State determines  
17 requires such child care assist-  
18 ance in order to continue such  
19 employment (but only for the 1-  
20 year period beginning on the date  
21 that the individual no longer  
22 qualifies for child care assistance  
23 under section 405(b) of such Act,  
24 and, at the option of the State,  
25 for the additional 1-year period

1 beginning after the conclusion of  
2 the first 1-year period).

3 “(III) Families containing an in-  
4 dividual who—

5 “(aa) is not described in  
6 subclause (I) or (II); and

7 “(bb) has an annual income  
8 for a fiscal year below the pov-  
9 erty line.

10 For purposes of item (bb), a State  
11 may opt to provide child care services  
12 to families at or above the poverty line  
13 and below 75 percent of the State me-  
14 dian income but only with respect to  
15 10 percent of the State’s grant under  
16 this subchapter or a greater percent-  
17 age of the State’s grant if such in-  
18 creased amount is necessary to pro-  
19 vide child care to families who were  
20 receiving such care on the day before  
21 the date of the enactment of the Work  
22 First Act of 1995.

23 (3) SET-ASIDES FOR QUALITY AND EXPAN-  
24 SION.—Section 658E(c)(3) of the Child Care and

1 Development Block Grant Act of 1990 (42 U.S.C.  
2 9858c(c)(3))—

3 (A) in subparagraph (C), by striking “25  
4 percent” and inserting “10 percent”; and

5 (B) by adding at the end the following new  
6 subparagraph:

7 “(D) EXPANSION OF CHILD CARE.—The  
8 State shall reserve not less than 10 percent of  
9 the amount provided to the State and available  
10 for providing services under this subchapter, to  
11 provide for the expansion of child care facilities  
12 available to support working families residing in  
13 the State.”.

14 (4) SLIDING FEE SCALE.—Section 658E(c)(5)  
15 of the Child Care and Development Block Grant Act  
16 of 1990 (42 U.S.C. 9858c(c)(5)) is amended by in-  
17 serting “described in subclauses (II) and (III) of  
18 paragraph (3)(B)(ii)” after “families”.

19 (5) MATCHING REQUIREMENT FOR NEW  
20 FUNDS.—

21 (A) IN GENERAL.—Section 658J of the  
22 Child Care and Development Block Grant Act  
23 of 1990 (42 U.S.C. 9858h) is amended by add-  
24 ing at the end the following new subsections:

1       “(d) MATCHING REQUIREMENT FOR CERTAIN NEW  
2 FUNDS.—

3               “(1) AMOUNT OF FEDERAL PAYMENT.—Subject  
4 to paragraph (2), the Secretary shall make quarterly  
5 payments to each State that has an application ap-  
6 proved under section 658E(d) in an amount equal to  
7 the greater of—

8               “(A) 70 percent; or

9               “(B) the Federal medical assistance per-  
10 centage (as defined in section 1905(b)) in-  
11 creased by 10 percentage points,  
12 of the total amount expended during the quarter  
13 under the State plan in excess of the State’s quar-  
14 terly allotment under section 658O.

15              “(2) LIMITATION.—

16              “(A) IN GENERAL.—Payments under this  
17 subsection to a State for any fiscal year may  
18 not exceed the limitation determined under sub-  
19 paragraph (B) with respect to the State.

20              “(B) LIMITATION DETERMINED.—The lim-  
21 itation determined under this subparagraph  
22 with respect to a State for any fiscal year is the  
23 amount that bears the same ratio to the  
24 amount specified in subparagraph (C) as the  
25 amount allotted to the State under 658O bears

1 to the amount allotted to all States (after re-  
2 serving the amount for Indian tribes required  
3 under section 658O(a)(2)).

4 “(C) AMOUNT SPECIFIED.—The amount  
5 specified in this subparagraph is the amount  
6 appropriated for such fiscal year under section  
7 658B(b) reduced by the amount reserved for  
8 Indian tribes under subsection (e).

9 “(D) LIMITATION RAISED.—If the limita-  
10 tion determined under subparagraph (A) with  
11 respect to a State for a fiscal year exceeds the  
12 amount paid to the State under this subsection  
13 for the fiscal year, the limitation determined  
14 under this paragraph with respect to the State  
15 for the immediately succeeding fiscal year shall  
16 be increased by the amount of such excess.

17 “(3) FORM OF PAYMENT.—With respect to the  
18 amount for which payment is made to a State under  
19 paragraph (1), the State’s expenditures for the costs  
20 of operating such programs may be in cash or in  
21 kind, fairly evaluated.

22 “(4) METHOD OF COMPUTATION AND PAY-  
23 MENT.—The method of computing and paying  
24 amounts under paragraph (1) shall be as follows:



1           “(A) AMOUNT BASED ON ESTIMATE.—The  
2       Secretary shall, prior to the beginning of each  
3       quarter, estimate the amount to be paid to the  
4       State for such quarter under paragraph (1),  
5       such estimate to be based on—

6           “(i) a report filed by the State con-  
7       taining its estimate of the total sum to be  
8       expended in such quarter in accordance  
9       with the provisions of such paragraph and  
10      stating the amount appropriated or made  
11      available by the State and its political sub-  
12      divisions for such expenditures in such  
13      quarter, and if such amount is less than  
14      the State’s proportionate share of the total  
15      sum of such estimated expenditures, the  
16      source or sources from which the difference  
17      is expected to be derived; and

18          “(ii) such other information as the  
19      Secretary may find necessary.

20          “(B) REDUCTION OR INCREASE.—The Sec-  
21      retary shall reduce or increase the amount to be  
22      paid, as the case may be, by any sum by which  
23      the Secretary finds that the estimate for any  
24      prior quarter was greater or less than the  
25      amount which should have been paid to the

1 State for such quarter, except that such in-  
2 creases or reductions shall not be made to the  
3 extent that such sums have been applied to  
4 make the amount certified for any prior quarter  
5 greater or less than the amount estimated by  
6 the Secretary for such prior quarter.

7 “(e) AMOUNTS RESERVED FOR INDIAN TRIBES.—  
8 The Secretary shall reserve not more than 3 percent of  
9 the amount appropriated under section 658B(b) in each  
10 fiscal year for payments to Indian tribes and tribal organi-  
11 zations with applications approved under section 658O(c).  
12 The amounts reserved under the prior sentence shall be  
13 available to make grants to or enter into contracts with  
14 Indian tribes or tribal organizations consistent with sec-  
15 tion 658O(c) without a requirement of matching funds by  
16 the Indian tribes or tribal organizations.

17 “(f) SAME TREATMENT AS ALLOTMENTS.—Amounts  
18 paid to a State or Indian tribe under subsections (d) and  
19 (e) shall be subject to the same requirements under this  
20 subchapter as amounts paid from the allotment under sec-  
21 tion 658O.”.

22 (B) CONFORMING AMENDMENTS.—Section  
23 658O of the Child Care and Development Block  
24 Grant Act of 1990 (42 U.S.C. 9858m) is  
25 amended—

1 (i) in subsection (a)—

2 (I) in paragraph (1), by striking  
3 “this subchapter” and inserting sec-  
4 tion 658B(a); and

5 (II) in paragraph (2), by striking  
6 “section 658B” and inserting “section  
7 658B(a); and

8 (ii) in subsection (b)(1), by striking  
9 “section 658B” and inserting “section  
10 658B(a)”.

11 (6) IMPROVING QUALITY.—

12 (A) INCREASE IN REQUIRED FUNDING.—  
13 Section 658G of the Child Care and Develop-  
14 ment Block Grant Act of 1990 (42 U.S.C.  
15 9858e) is amended by striking “not less than  
16 20 percent” and inserting “50 percent”.

17 (B) QUALITY IMPROVEMENT INCENTIVE  
18 INITIATIVE.—Section 658G of the Child Care  
19 and Development Block Grant Act of 1990 (42  
20 U.S.C. 9858e) is amended—

21 (i) by striking “A State” and insert-  
22 ing “(a) IN GENERAL.—A State”; and

23 (ii) by adding at the end the following  
24 new subsection:

1       “(b) QUALITY IMPROVEMENT INCENTIVE INITIA-  
2 TIVE.—

3               “(1) IN GENERAL.—The Secretary shall estab-  
4 lish a child care quality improvement incentive ini-  
5 tiative to make funds available to States that dem-  
6 onstrate progress in the implementation of—

7                       “(A) innovative teacher training programs  
8                       such as the Department of Defense staff devel-  
9                       opment and compensation program for child  
10                      care personnel; or

11                     “(B) enhanced child care quality standards  
12                     and licensing and monitoring procedures.

13               “(2) FUNDING.—From the amounts made  
14 available for each fiscal year under subsection (a),  
15 the Secretary shall reserve not to exceed  
16 \$50,000,000 in each such fiscal year to carry out  
17 this subsection.”.

18               (7) PAYMENTS.—Section 658J(a) of the Child  
19 Care and Development Block Grant Act of 1990 (42  
20 U.S.C. 9858h) is amended by striking “Subject to  
21 the availability of appropriation, a” and inserting  
22 “A”.

23               (8) DEFINITION OF ELIGIBLE CHILD.—Section  
24 658P(4)(B) of the Child Care and Development

1       Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B))  
2       is amended to read as follows:

3               “(B) who is a member of a family de-  
4               scribed in section 658E(c)(3)(B)(ii); and”.

5               (9) DEFINITION OF POVERTY LINE.—Section  
6       658P of the Child Care and Development Block  
7       Grant Act of 1990 (42 U.S.C. 9858n) is amended—

8               (A) by redesignating paragraphs (10)  
9               through (14) as paragraphs (11) through (15),  
10              respectively; and

11              (B) by inserting after paragraph (9), the  
12              following new paragraph:

13              “(10) POVERTY LINE.—The term ‘poverty line’  
14              means the poverty line (as such term is defined in  
15              section 673(2) of the Community Services Block  
16              Grant Act (42 U.S.C. 9902(2)), including any revi-  
17              sion required by such section) that—

18              “(A) in the case of a family of less than  
19              4 individuals, is applicable to a family of the  
20              size involved; and

21              “(B) in the case of a family of 4 or more  
22              individuals, is applicable to a family of 4 indi-  
23              viduals.”.

24              (c) PROGRAM REPEALS.—

1 (1) STATE DEPENDENT CARE GRANTS.—Sub-  
 2 chapter E of chapter 8 of subtitle A of title VI of  
 3 the Omnibus Budget Reconciliation Act of 1981 (42  
 4 U.S.C. 9871 et seq.) is repealed.

5 (2) CHILD DEVELOPMENT ASSOCIATE SCHOLAR-  
 6 SHIP ASSISTANCE ACT.—The Child Development As-  
 7 sociate Scholarship Assistance Act of 1985 (42  
 8 U.S.C. 10901 et seq.) is repealed.

9 **TITLE IV—ENDING THE CYCLE**  
 10 **OF INTERGENERATIONAL DE-**  
 11 **PENDENCY**

12 **SEC. 401. SUPERVISED LIVING ARRANGEMENTS FOR MI-**  
 13 **NORS.**

14 Section 402(c), as added by section 101(a), is amend-  
 15 ed by adding at the end the following new paragraph:

16 “(7) SUPERVISED LIVING ARRANGEMENTS FOR  
 17 MINORS.—The State plan shall provide that—

18 “(A) except as provided in subparagraph  
 19 (B), in the case of any individual who is under  
 20 age 18 and has never married, and who has a  
 21 needy child in his or her care (or is pregnant  
 22 and is eligible for temporary employment assist-  
 23 ance under the State plan)—

24 “(i) such individual may receive such  
 25 assistance for the individual and such child

1 (or for herself in the case of a pregnant  
2 woman) only if such individual and child  
3 (or such pregnant woman) reside in a  
4 place of residence maintained by a parent,  
5 legal guardian, or other adult relative of  
6 such individual as such parent's, guard-  
7 ian's, or adult relative's own home; and

8 “(ii) such assistance (where possible)  
9 shall be provided to the parent, legal  
10 guardian, or other adult relative on behalf  
11 of such individual and child; and

12 “(B)(i) in the case of an individual de-  
13 scribed in clause (ii)—

14 “(I) the State agency shall assist such  
15 individual in locating an appropriate adult-  
16 supervised supportive living arrangement  
17 taking into consideration the needs and  
18 concerns of the individual, unless the State  
19 agency determines that the individual's  
20 current living arrangement is appropriate,  
21 and thereafter shall require that the indi-  
22 vidual (and child, if any) reside in such liv-  
23 ing arrangement as a condition of the con-  
24 tinued receipt of assistance under the plan  
25 (or in an alternative appropriate arrange-

1           ment, should circumstances change and the  
2           current arrangement cease to be appro-  
3           priate), or

4           “(II) if the State agency is unable,  
5           after making diligent efforts, to locate any  
6           such appropriate living arrangement, the  
7           State agency shall provide for comprehen-  
8           sive case management, monitoring, and  
9           other social services consistent with the  
10          best interests of the individual (and child)  
11          while living independently (as determined  
12          by the State agency); and

13          “(ii) for purposes of clause (i), an individ-  
14          ual is described in this clause if—

15               “(I) such individual has no parent or  
16               legal guardian of his or her own who is liv-  
17               ing and whose whereabouts are known;

18               “(II) no living parent or legal guard-  
19               ian of such individual allows the individual  
20               to live in the home of such parent or  
21               guardian;

22               “(III) the State agency determines  
23               that the physical or emotional health of  
24               such individual or any needy child of the  
25               individual would be jeopardized if such in-



1           dividual and such needy child lived in the  
2           same residence with such individual's own  
3           parent or legal guardian; or

4           “(IV) the State agency otherwise de-  
5           termines (in accordance with regulations  
6           issued by the Secretary) that it is in the  
7           best interest of the needy child to waive  
8           the requirement of subparagraph (A) with  
9           respect to such individual.”.

10 **SEC. 402. REINFORCING FAMILIES.**

11       (a) IN GENERAL.—Title XX (42 U.S.C. 1397–  
12 1397e) is amended by adding at the end the following new  
13 section:

14 **“SEC. 2008. ADULT-SUPERVISED GROUP HOMES.**

15       “(a) ENTITLEMENT.—

16           “(1) IN GENERAL.—In addition to any payment  
17       under sections 2002 and 2007, beginning with fiscal  
18       year 1996, each State shall be entitled to funds  
19       under this section for each fiscal year for the estab-  
20       lishment, operation, and support of adult-supervised  
21       group homes for custodial parents under age 18 (or  
22       age 19, at the option of the State) and their chil-  
23       dren.

24       “(2) PAYMENT TO STATES.—

1           “(A) IN GENERAL.—Each State shall be  
2           entitled to payment under this section for each  
3           fiscal year in an amount equal to its allotment  
4           (determined in accordance with subsection (b))  
5           for such fiscal year, to be used by such State  
6           for the purposes set forth in paragraph (1).

7           “(B) TRANSFERS OF FUNDS.—The Sec-  
8           retary shall make payments in accordance with  
9           section 6503 of title 31, United States Code, to  
10          each State from its allotment for use under this  
11          title.

12          “(C) USE.—Payments to a State from its  
13          allotment for any fiscal year must be expended  
14          by the State in such fiscal year or in the suc-  
15          ceeding fiscal year.

16          “(D) TECHNICAL ASSISTANCE.—A State  
17          may use a portion of the amounts described in  
18          subparagraph (A) for the purpose of purchasing  
19          technical assistance from public or private enti-  
20          ties if the State determines that such assistance  
21          is required in developing, implementing, or ad-  
22          ministering the program funded under this sec-  
23          tion.

24          “(3) ADULT-SUPERVISED GROUP HOME.—For  
25          purposes of this section, the term ‘adult-supervised

1 group home' means an entity that provides custodial  
2 parents under age 18 (or age 19, at the option of  
3 the State) and their children with a supportive and  
4 supervised living arrangement in which such parents  
5 are required to learn parenting skills, including child  
6 development, family budgeting, health and nutrition,  
7 and other skills to promote their long-term economic  
8 independence and the well-being of their children.  
9 An adult-supervised group home may also serve as  
10 a network center for other supportive services that  
11 are available in the community.

12 “(b) ALLOTMENT.—

13 “(1) CERTAIN JURISDICTIONS.—The allotment  
14 for any fiscal year to each of the jurisdictions of  
15 Puerto Rico, Guam, the Virgin Islands, American  
16 Samoa, and the Northern Mariana Islands shall be  
17 an amount which bears the same ratio to the  
18 amount specified under paragraph (3) as the allot-  
19 ment that the jurisdiction receives under section  
20 2003(a) for the fiscal year bears to the total amount  
21 specified for such fiscal year under section 2003(c).

22 “(2) OTHER STATES.—The allotment for any  
23 fiscal year for each State other than the jurisdictions  
24 of Puerto Rico, Guam, the Virgin Islands, American

1 Samoa, and the Northern Mariana Islands shall be  
2 an amount which bears the same ratio to—

3 “(A) the amount specified under para-  
4 graph (3), reduced by

5 “(B) the total amount allotted to those ju-  
6 risdictions for that fiscal year under paragraph  
7 (1),

8 as the allotment that the State receives under sec-  
9 tion 2003(b) for the fiscal year bears to the total  
10 amount specified for such fiscal year under section  
11 2003(c).

12 “(3) AMOUNT SPECIFIED.—The amount speci-  
13 fied for purposes of paragraphs (1) and (2) shall be  
14 \$95,000,000 for fiscal year 1996 and each subse-  
15 quent fiscal year.

16 “(c) LOCAL INVOLVEMENT.—Each State shall seek  
17 local involvement from the community in any area in  
18 which an adult-supervised group home receiving funds  
19 pursuant to this section is to be established. In determin-  
20 ing criteria for targeting funds received under this section,  
21 each State shall evaluate the community’s commitment to  
22 the establishment and planning of the home.

23 “(d) LIMITATIONS ON THE USE OF FUNDS.—

24 “(1) CONSTRUCTION.—Except as provided in  
25 paragraph (2), funds made available under this sec-

1       tion may not be used by the State, or any other per-  
2       son with which the State makes arrangements to  
3       carry out the purposes of this section, for the pur-  
4       chase or improvement of land, or the purchase, con-  
5       struction, or permanent improvement (other than  
6       minor remodeling) of any building or other facility.

7           “(2) WAIVER.—The Secretary may waive the  
8       limitation contained in paragraph (1) upon the  
9       State’s request for such a waiver if the Secretary  
10      finds that the request describes extraordinary cir-  
11      cumstances to justify the waiver and that permitting  
12      the waiver will contribute to the State’s ability to  
13      carry out the purposes of this section.

14      “(e) TREATMENT OF INDIAN TRIBES.—

15           “(1) IN GENERAL.—An Indian tribe may apply  
16      to the Secretary to establish, operate, and support  
17      adult-supervised group homes for custodial parents  
18      under age 18 (or age 19, at the option of the State)  
19      and their children in accordance with an application  
20      procedure to be determined by the Secretary. Except  
21      as otherwise provided in this subsection, the provi-  
22      sions of this section shall apply to Indian tribes re-  
23      ceiving funds under this subsection in the same  
24      manner and to the same extent as the other provi-  
25      sions of this section apply to States.

1           “(2) ALLOTMENT.—If the Secretary approves  
2       an Indian tribe’s application, the Secretary shall  
3       allot to such tribe for a fiscal year an amount which  
4       the Secretary determines is the Indian tribe’s fair  
5       and equitable share of the amount specified under  
6       paragraph (3) for all Indian tribes with applications  
7       approved under this subsection (based on allotment  
8       factors to be determined by the Secretary). The Sec-  
9       retary shall determine a minimum allotment amount  
10      for all Indian tribes with applications approved  
11      under this subsection. Each Indian tribe with an ap-  
12      plication approved under this subsection shall be en-  
13      titled to such minimum allotment.

14           “(3) AMOUNT SPECIFIED.—The amount speci-  
15      fied under this paragraph for all Indian tribes with  
16      applications approved under this subsection is  
17      \$5,000,000 for fiscal year 1996 and each subsequent  
18      fiscal year.

19           “(4) INDIAN TRIBE DEFINED.—For purposes of  
20      this section, the term ‘Indian tribe’ means any In-  
21      dian tribe, band, nation, pueblo, or other organized  
22      group or community, including any Alaska Native  
23      entity which is recognized as eligible for the special  
24      programs and services provided by the United States  
25      to Indian tribes because of their status as Indians.”.

1       (b) RECEIPT OF PAYMENTS BY ADULT-SUPERVISED  
2 GROUP HOMES.—Section 402(c)(7)(A)(ii), as added by  
3 section 401(a), is amended by striking “or other adult rel-  
4 ative” and inserting “other adult relative, or adult-super-  
5 vised group home receiving funds under section 2008”.

6       (c) RECOMMENDATIONS ON USE OF GOVERNMENT  
7 SURPLUS PROPERTY.—Not later than 6 months after the  
8 date of the enactment of this Act, after consultation with  
9 the Secretary of Defense, the Secretary of Housing and  
10 Urban Development, and the Administrator of the General  
11 Services Administration, the Secretary of Health and  
12 Human Services shall submit recommendations to the  
13 Congress on the extent to which surplus properties of the  
14 United States Government may be used for the establish-  
15 ment of adult-supervised group homes receiving funds  
16 under section 2008 of the Social Security Act, as added  
17 by this section.

18 **SEC. 403. REQUIRED COMPLETION OF HIGH SCHOOL OR**  
19 **OTHER TRAINING FOR TEENAGE PARENTS.**

20       (a) IN GENERAL.—Section 403(b)(4), as added by  
21 section 101(a), is amended—

22               (1) by inserting “(A)” after “(4)”; and

23               (2) by inserting at the end the following new  
24 subparagraph:

1           “(B) In the case of a client who is a custodial  
 2           parent who is under age 18 (or age 19, at the option  
 3           of the State), has not successfully completed a high-  
 4           school education (or its equivalent), and is required  
 5           to participate in the Work First program (including  
 6           an individual who would otherwise be exempt from  
 7           participation in the program), provides that—

8                   “(i) such parent participate in—

9                           “(I) educational activities directed to-  
 10                           ward the attainment of a high school di-  
 11                           ploma or its equivalent on a full-time (as  
 12                           defined by the educational provider) basis;  
 13                           or

14                           “(II) an alternative educational or  
 15                           training program on a full-time (as defined  
 16                           by the provider) basis; and

17                           “(ii) child care be provided in accordance  
 18                           with section 405(b) with respect to the family.”.

19           (b) STATE OPTION TO PROVIDE ADDITIONAL INCEN-  
 20           TIVES AND PENALTIES TO ENCOURAGE TEEN PARENTS  
 21           TO COMPLETE HIGH SCHOOL AND PARTICIPATE IN  
 22           PARENTING ACTIVITIES.—

23                   (1) STATE PLAN.—Section 403(b)(4), as  
 24                   amended by subsection (a), is amended by inserting



1 after subparagraph (B) the following new subpara-  
2 graph:

3 “(C) At the option of the State, provides that  
4 the client who is a custodial parent or pregnant  
5 woman who is under age 19 (or age 21, at the op-  
6 tion of the State) participate in a program of mone-  
7 tary incentives and penalties which—

8 “(i) may, at the option of the State, re-  
9 quire full-time participation by such custodial  
10 parent or pregnant woman in secondary school  
11 or equivalent educational activities, or participa-  
12 tion in a course or program leading to a skills  
13 certificate found appropriate by the State agen-  
14 cy or parenting education activities (or any  
15 combination of such activities and secondary  
16 education);

17 “(ii) shall require that the needs of such  
18 custodial parent or pregnant woman be re-  
19 viewed and the program assure that, either in  
20 the initial development or revision of such indi-  
21 vidual’s parent empowerment contract, there  
22 will be included a description of the services  
23 that will be provided to the client and the way  
24 in which the program and service providers will  
25 coordinate with the educational or skills train-

1 ing activities in which the client is participat-  
2 ing;

3 “(iii) shall provide monetary incentives (to  
4 be treated as assistance under the State plan)  
5 for more than minimally acceptable perform-  
6 ance of required educational activities;

7 “(iv) shall provide penalties (which may be  
8 those required by subsection (c) or, with the ap-  
9 proval of the Secretary, other monetary pen-  
10 alties that the State finds will better achieve the  
11 objectives of the program) for less than mini-  
12 mally acceptable performance of required activi-  
13 ties;

14 “(v) shall provide that when a monetary  
15 incentive is payable because of the more than  
16 minimally acceptable performance of required  
17 educational activities by a custodial parent, the  
18 incentive be paid directly to such parent, re-  
19 gardless of whether the State agency makes  
20 payment of assistance under the State plan di-  
21 rectly to such parent; and

22 “(vi) for purposes of any other Federal or  
23 federally-assisted program based on need, shall  
24 not consider any monetary incentive paid under  
25 this subsection as income in determining a fam-

1           ily’s eligibility for or amount of benefits under  
 2           such program, and if assistance is reduced by  
 3           reason of a penalty under this subparagraph,  
 4           such other program shall treat the family in-  
 5           volved as if no such penalty has been applied.”.

6 **SEC. 404. DRUG TREATMENT AND COUNSELING AS PART OF**  
 7 **THE WORK FIRST PROGRAM.**

8           Section 403(b)(6), as added by section 101(a), is  
 9 amended—

- 10           (1) by inserting “(A)” after “(6)”; and  
 11           (2) by inserting at the end the following new  
 12 subparagraph:

13           “(B) In the case of a client who is a custodial  
 14 parent and who is under age 18 (or age 19, at the  
 15 option of the State) (including an individual who  
 16 would otherwise be exempt from participation in the  
 17 program), whose contract reflects the need for treat-  
 18 ment for substance abuse, requires such individual  
 19 to participate in substance abuse treatment if appro-  
 20 priate treatment is available.”.

21 **SEC. 405. TARGETING YOUTH AT RISK OF TEENAGE PREG-**  
 22 **NANCY.**

23           (a) IN GENERAL.—Section 406(e), as added by sec-  
 24 tion 101(a), is amended to read as follows:

1       “(e) OUT-OF-WEDLOCK AND TEEN PREGNANCY  
2 PROGRAMS.—

3           “(1) OUT-OF-WEDLOCK PREGNANCIES.—The  
4 State plan shall provide for the development of a  
5 program to reduce the incidence of out-of-wedlock  
6 pregnancies, which may include providing unmarried  
7 mothers and unmarried fathers with services which  
8 will help them—

9           “(A) avoid subsequent pregnancies, and

10          “(B) provide adequate care to their chil-  
11 dren.

12          “(2) TEEN PREGNANCIES.—

13           “(A) IN GENERAL.—The State plan shall  
14 provide that the State agency may, to the ex-  
15 tent it determines resources are available, pro-  
16 vide for the operation of projects to reduce  
17 teenage pregnancy. Such projects shall be oper-  
18 ated by eligible entities that have submitted ap-  
19 plications described in subparagraph (C) that  
20 have been approved in accordance with subpara-  
21 graph (D).

22           “(B) ELIGIBLE ENTITIES.—For purposes  
23 of this paragraph, the term ‘eligible entity’ in-  
24 cludes State agencies, local agencies, publicly

1 supported organizations, private nonprofit orga-  
2 nizations, and consortia of such entities.

3 “(C) APPLICATIONS.—An application de-  
4 scribed in this subparagraph shall—

5 “(i) describe the project;

6 “(ii) include an endorsement of the  
7 project by the chief elected official of the  
8 jurisdiction in which the project is to be lo-  
9 cated;

10 “(iii) demonstrate strong local com-  
11 mitment and local involvement in the plan-  
12 ning and implementation of the project;  
13 and

14 “(iv) be submitted in such manner  
15 and containing such information as the  
16 Secretary may require.

17 “(D) APPROVAL.—

18 “(i) IN GENERAL.—Subject to clause  
19 (ii), the chief executive officer of a State  
20 may approve an application under this sub-  
21 paragraph based on selection criteria (to  
22 be determined by the chief executive offi-  
23 cer).

1           “(ii) PREFERENCES.—Preference in  
2 approving a project shall be accorded to be  
3 projects that target—

4                   “(I) both young men and women;

5                   “(II) areas with high teenage  
6 pregnancy rates; or

7                   “(III) areas with a high incidence  
8 of individuals receiving temporary em-  
9 ployment assistance.

10          “(E) INDIAN TRIBES.—

11               “(i) IN GENERAL.—An Indian tribe  
12 may apply to the Secretary to provide for  
13 the operation of projects to reduce teenage  
14 pregnancy in accordance with an applica-  
15 tion procedure to be determined by the  
16 Secretary. Except as otherwise provided in  
17 this subparagraph, the provisions of this  
18 paragraph shall apply to Indian tribes re-  
19 ceiving funds under this paragraph in the  
20 same manner and to the same extent as  
21 the other provisions of this paragraph  
22 apply to States.

23               “(ii) LIMITATION.—The Secretary  
24 shall limit the number of applications ap-  
25 proved under this subparagraph to ensure

1 that payments under section 413(d) to In-  
2 dian tribes with approved applications  
3 would not result in payments of less than  
4 a minimum payment amount (to be deter-  
5 mined by the Secretary).

6 “(iii) INDIAN TRIBE DEFINED.—For  
7 purposes of this subparagraph, the term  
8 ‘Indian tribe’ means any Indian tribe,  
9 band, nation, pueblo, or other organized  
10 group or community, including any Alaska  
11 Native entity which is recognized as eligi-  
12 ble for the special programs and services  
13 provided by the United States to Indian  
14 tribes because of their status as Indians.

15 “(F) PROJECT LENGTH.—A project con-  
16 ducted under this paragraph shall be conducted  
17 for not less than 3 years.

18 “(G) STUDY.—

19 “(i) IN GENERAL.—The Secretary  
20 shall conduct a study in accordance with  
21 clause (ii) to determine the relative effec-  
22 tiveness of the different approaches for  
23 preventing teenage pregnancy utilized in  
24 the projects conducted under this para-  
25 graph.

1           “(ii) REQUIREMENTS.—The study re-  
2           quired under clause (i) shall—

3                   “(I) be based on data gathered  
4                   from projects conducted in 5 States  
5                   chosen by the Secretary from among  
6                   the States in which projects under  
7                   this paragraph are operated;

8                   “(II) use specific outcome meas-  
9                   ures (determined by the Secretary) to  
10                  test the effectiveness of the projects;

11                  “(III) use experimental and con-  
12                  trol groups (to the extent possible)  
13                  that are composed of a random sam-  
14                  ple of participants in the projects; and

15                  “(IV) be conducted in accordance  
16                  with an experimental design deter-  
17                  mined by the Secretary to result in a  
18                  comparable design among all projects.

19           “(iii) INTERIM DATA.—Each eligible  
20           entity conducting a project under this  
21           paragraph shall provide to the Secretary in  
22           such form and with such frequency as the  
23           Secretary requires interim data from the  
24           projects conducted under this paragraph.  
25           The Secretary shall report to the Congress



1           annually on the progress of such projects  
2           and shall, not later than January 1, 2003,  
3           submit to the Congress a final report on  
4           the study required under clause (i).

5           “(iv) AUTHORIZATION.—There are  
6           authorized to be appropriated \$500,000 for  
7           each of fiscal years 1996 through 2002 for  
8           the purpose of conducting the study re-  
9           quired under clause (i).”.

10       (b) PAYMENT.—Section 413, as added by section  
11   101(a), is amended by adding at the end the following new  
12   subsection:

13       “(d) FUNDING FOR TEEN PREGNANCY PROJECTS.—

14           “(1) IN GENERAL.—In addition to any payment  
15       under subsection (a), each State shall be entitled to  
16       payment from the Secretary for each of fiscal years  
17       1996 through 2002 of an amount equal to the lesser  
18       of—

19           “(A) 75 percent of the expenditures by the  
20       State in providing for the operation of the  
21       projects under section 406(e)(2), and in admin-  
22       istering the projects under such section; or

23           “(B) the limitation determined under para-  
24       graph (2) with respect to the State for the fis-  
25       cal year.

1 “(2) LIMITATION.—

2 “(A) IN GENERAL.—The limitation deter-  
3 mined under this paragraph with respect to a  
4 State for any fiscal year is the amount that  
5 bears the same ratio to \$71,250,000 as the  
6 population with an income below the poverty  
7 line (as such term is defined in section 673(2)  
8 of the Community Services Block Grant Act  
9 (42 U.S.C. 9902(2)), including any revision re-  
10 quired by such section) in the State in the sec-  
11 ond preceding fiscal year bears to such popu-  
12 lation residing in the United States in the sec-  
13 ond preceding fiscal year.

14 “(B) ADJUSTMENT.—If the limitation de-  
15 termined under subparagraph (A) with respect  
16 to a State for a fiscal year exceeds the amount  
17 paid to the State under this subsection for the  
18 fiscal year, the limitation determined under this  
19 paragraph with respect to the State for the im-  
20 mediately succeeding fiscal year shall be in-  
21 creased by the amount of such excess.

22 “(3) INDIAN TRIBES.—

23 “(A) IN GENERAL.—Notwithstanding any  
24 other provision of this title, for purposes of this  
25 subsection, an Indian tribe with an application

1 approved under section 406(e)(2)(E) shall be  
2 entitled to payment from the Secretary for each  
3 of fiscal years 1996 through 2002 of an amount  
4 equal to the lesser of—

5 “(i) 75 percent of the expenditures by  
6 the Indian tribe in providing for the oper-  
7 ation of the projects under section  
8 406(e)(2)(E), and in administering the  
9 projects under such section; or

10 “(ii) the limitation determined under  
11 subparagraph (B) with respect to the In-  
12 dian tribe for the fiscal year.

13 “(B) LIMITATION.—

14 “(i) IN GENERAL.—The limitation de-  
15 termined under this subparagraph with re-  
16 spect to an Indian tribe for any fiscal year  
17 is the amount that bears the same ratio to  
18 \$3,750,000 as the population with an in-  
19 come below the poverty line (as such term  
20 is defined in section 673(2) of the Commu-  
21 nity Services Block Grant Act (42 U.S.C.  
22 9902(2)), including any revision required  
23 by such section) in the Indian tribe in the  
24 second preceding fiscal year bears to such  
25 population of all Indian tribes with appli-

1           cations     approved     under     section  
2           406(e)(2)(E) in the second preceding fiscal  
3           year.

4           “(ii) ADJUSTMENT.—If the limitation  
5           determined under clause (i) with respect to  
6           an Indian tribe for a fiscal year exceeds  
7           the amount paid to the Indian tribe under  
8           this paragraph for the fiscal year, the limi-  
9           tation determined under this subparagraph  
10          with respect to the Indian tribe for the im-  
11          mediately succeeding fiscal year shall be  
12          increased by the amount of such excess.

13          “(4) USE OF APPROPRIATIONS.—Amounts ap-  
14          propriated for a fiscal year to carry out this part  
15          shall be made available for payments under this sub-  
16          section for such fiscal year.”.

17   **SEC. 406. NATIONAL CLEARINGHOUSE ON TEENAGE PREG-**  
18                   **NANCY.**

19          (a) ESTABLISHMENT.—The Secretary of Education,  
20          the Secretary of Health and Human Services, and the  
21          Chief Executive Officer of the Corporation for National  
22          and Community Service shall establish a national center  
23          for the collection and provision of information that relates  
24          to adolescent pregnancy prevention programs, to be known

1 as the “National Clearinghouse on Teenage Pregnancy  
2 Prevention Programs”.

3 (b) FUNCTIONS.—The national center established  
4 under subsection (a) shall serve as a national information  
5 and data clearinghouse, and as a material development  
6 source for adolescent pregnancy prevention programs.  
7 Such center shall—

8 (1) develop and maintain a system for dissemi-  
9 nating information on all types of adolescent preg-  
10 nancy prevention programs and on the state of ado-  
11 lescent pregnancy prevention program development,  
12 including information concerning the most effective  
13 model programs;

14 (2) identify model programs representing the  
15 various types of adolescent pregnancy prevention  
16 programs;

17 (3) develop networks of adolescent pregnancy  
18 prevention programs for the purpose of sharing and  
19 disseminating information;

20 (4) develop technical assistance materials to as-  
21 sist other entities in establishing and improving ado-  
22 lescent pregnancy prevention programs;

23 (5) participate in activities designed to encour-  
24 age and enhance public media campaigns on the  
25 issue of adolescent pregnancy; and

1           (6) conduct such other activities as the respon-  
2       sible Federal officials find will assist in developing  
3       and carrying out programs or activities to reduce ad-  
4       olescent pregnancy.

5       (c) AUTHORIZATION OF APPROPRIATIONS.—There  
6       are authorized to be appropriated such sums as may be  
7       necessary to carry out the purposes of this section.

8       **SEC. 407. EFFECTIVE DATES.**

9       (a) IN GENERAL.—Except as provided in subsection  
10      (b), the amendments made by this title shall be effective  
11      with respect to calendar quarters beginning on or after  
12      October 1, 1996.

13      (b) SPECIAL RULE.—In the case of a State that the  
14      Secretary of Health and Human Services determines re-  
15      quires State legislation (other than legislation appropriat-  
16      ing funds) in order to meet the additional requirements  
17      imposed by the amendments made by this title, the State  
18      shall not be regarded as failing to comply with the require-  
19      ments of such amendments before the first day of the first  
20      calendar quarter beginning after the close of the first reg-  
21      ular session of the State legislature that begins after the  
22      date of enactment of this Act. For purposes of this sub-  
23      section, in the case of a State that has a 2-year legislative  
24      session, each year of the session shall be treated as a sepa-  
25      rate regular session of the State legislature.

1     **TITLE V—INTERSTATE CHILD**  
 2     **SUPPORT RESPONSIBILITY**

3     **SEC. 500. SHORT TITLE.**

4         This title may be cited as the “Interstate Child Sup-  
 5 port Responsibility Act of 1995”.

6     **Subtitle A—Improvements to the**  
 7     **Child Support Collection System**

8     **PART I—ELIGIBILITY AND OTHER MATTERS**  
 9     **CONCERNING TITLE IV-D PROGRAM CLIENTS**

10    **SEC. 501. STATE OBLIGATION TO PROVIDE PATERNITY ES-**  
 11                   **TABLISHMENT AND CHILD SUPPORT EN-**  
 12                   **FORCEMENT SERVICES.**

13         (a) STATE LAW REQUIREMENTS.—Section 466(a)  
 14 (42 U.S.C. 666(a)) is amended by adding at the end the  
 15 following new paragraph:

16                 “(12) Procedures under which—

17                         “(A) every child support order established  
 18 or modified in the State on or after October 1,  
 19 1998, is recorded in the central case registry  
 20 established in accordance with section 454A(e);  
 21 and

22                         “(B) child support payments are collected  
 23 through the centralized collections unit estab-  
 24 lished in accordance with section 454B—

1 “(i) on and after October 1, 1998,  
2 under each order subject to wage withhold-  
3 ing under section 466(b); and

4 “(ii) on and after October 1, 1999,  
5 under each other order required to be re-  
6 corded in such central case registry under  
7 this paragraph or section 454A(e), if re-  
8 quested by either party subject to such  
9 order.”.

10 (b) STATE PLAN REQUIREMENTS.—Section 454 (42  
11 U.S.C. 654) is amended—

12 (1) by striking paragraph (4) and inserting the  
13 following new paragraph:

14 “(4) provide that such State will undertake to  
15 provide appropriate services under this part to—

16 “(A) each child with respect to whom an  
17 assignment is effective under section 402(c),  
18 471(a)(17), or 1912 (except in cases in which  
19 the State agency determines, in accordance with  
20 paragraph (25), that it is against the best in-  
21 terests of the child to do so); and

22 “(B) each child not described in subpara-  
23 graph (A)—

24 “(i) with respect to whom an individ-  
25 ual applies for such services; or



1 “(ii) on and after October 1, 1998,  
 2 with respect to whom a support order is  
 3 recorded in the central State case registry  
 4 established under section 454A—

5 “(I) if application is made for  
 6 services under this part; or

7 “(II) at the option of the State,  
 8 unless such services are declined;”;

9 (2) in paragraph (6)—

10 (A) by striking “(6) provide that” and all  
 11 that follows through subparagraph (A) and in-  
 12 serting the following:

13 “(6) provide that—

14 “(A) services under the State plan shall be  
 15 made available to nonresidents on the same  
 16 terms as to residents;”;

17 (B) in subparagraph (B)—

18 (i) by inserting “on individuals other  
 19 than individuals with respect to whom an  
 20 assignment under parts A or E or title  
 21 XIX is effective (except as provided in sec-  
 22 tion 457(c))” after “such services shall be  
 23 imposed”; and

24 (ii) by inserting “but no fees or costs  
 25 shall be imposed on any absent or custo-

1 dial parent or other individual for inclusion  
 2 in the central State registry maintained  
 3 pursuant to section 454A(e),” after “(as  
 4 determined by the State),”; and

5 (C) in each of subparagraphs (B), (C),  
 6 (D), and (E), by indenting such subparagraph  
 7 and aligning its left margin with the left margin  
 8 of subparagraph (A); and

9 (D) in each of subparagraphs (B), (C),  
 10 and (D), by striking the final comma and in-  
 11 serting a semicolon;

12 (3) in paragraph (23)—

13 (A) by striking “the State will regularly”  
 14 and inserting “the State will—

15 “(A) regularly”;

16 (B) by adding at the end the following new  
 17 subparagraph:

18 “(B) have a plan for outreach to parents  
 19 designed to disseminate information about and  
 20 increase access to child support enforcement  
 21 services, including plans responding to needs—

22 “(i) of working parents to obtain such  
 23 services without taking time off work; and

24 “(ii) of parents with limited pro-  
 25 ficiency in English for elimination of lan-

1           guage barriers to use of such services;  
2           and”; and

3           (4)(A) by striking “and” at the end of para-  
4 graph (23);

5           (B) by striking the period at the end of para-  
6 graph (24) and inserting “; and”; and

7           (C) by inserting after paragraph (24) the fol-  
8 lowing new paragraph:

9           “(25) provide that the State establish proce-  
10 dures for any absent parent owing child support ar-  
11 rearages to enter into a repayment plan with the  
12 State, engage in community service, or face impris-  
13 onment.”.

14       (c) CONFORMING AMENDMENTS.—

15       (1) PATERNITY ESTABLISHMENT PERCENT-  
16 AGE.—Section 452(g)(2)(A) (42 U.S.C.  
17 652(g)(2)(A)) is amended by striking “454(6)” each  
18 place it appears and inserting “454(4)(A)(ii)”.

19       (2) STATE PLAN.—Section 454(23)(A) (42  
20 U.S.C. 654(23)(A)), as amended by subsection  
21 (b)(3), is amended, effective October 1, 1998, by  
22 striking “information as to any application fees for  
23 such services and”.

24       (3) PROCEDURES TO IMPROVE ENFORCE-  
25 MENT.—Section 466(a)(3)(B) (42 U.S.C.

1       666(a)(3)(B)) is amended by striking “in the case of  
 2       overdue support which a State has agreed to collect  
 3       under section 454(6)” and inserting “in any other  
 4       case”.

5           (4) DEFINITION OF OVERDUE SUPPORT.—Sec-  
 6       tion 466(e) (42 U.S.C. 666(e)) is amended by strik-  
 7       ing “or (6)”.

8       **SEC. 502. DISTRIBUTION OF PAYMENTS.**

9       (a) DISTRIBUTIONS THROUGH STATE CHILD SUP-  
 10      PORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE  
 11      RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is  
 12      amended—

13           (1) in subparagraph (A)—

14                   (A) by striking section 402(a)(26) is effec-  
 15                   tive,” and inserting “section 403(b)(7)(A) is ef-  
 16                   fective, except as otherwise specifically provided  
 17                   in section 464 or 466(a)(3),”; and

18                   (B) by striking “except that” and all that  
 19                   follows through the semicolon; and

20           (2) in subparagraph (B), by striking “, except”  
 21      and all that follows through “medical assistance”.

22      (b) DISTRIBUTION TO A FAMILY CURRENTLY RE-  
 23      CEIVING TEMPORARY EMPLOYMENT ASSISTANCE.—Sec-  
 24      tion 457 (42 U.S.C. 657) is amended—

1 (1) by striking subsection (a) and redesignating  
2 subsection (b) as subsection (a);

3 (2) in subsection (a), as redesignated—

4 (A) in the matter preceding paragraph (2),  
5 to read as follows:

6 “(a) IN THE CASE OF A FAMILY RECEIVING TEA.—  
7 Amounts collected under this part during any month as  
8 support of a child who is receiving assistance under part  
9 A (or a parent or caretaker relative of such a child) shall  
10 (except in the case of a State exercising the option under  
11 subsection (b)) be distributed as follows:

12 “(1) an amount equal to the amount that will  
13 be disregarded pursuant to section 402(d)(2)(C)  
14 shall be taken from each of—

15 “(A) the amounts received in a month  
16 which represent payments for that month; and

17 “(B) the amounts received in a month  
18 which represent payments for a prior month  
19 which were made by the absent parent in that  
20 prior month;

21 and shall be paid to the family without affecting its  
22 eligibility for assistance or decreasing any amount  
23 otherwise payable as assistance to such family dur-  
24 ing such month;”;

1 (B) in paragraph (4), by striking “or (B)”  
 2 and all that follows through the period and in-  
 3 serting “; then (B) from any remainder,  
 4 amounts equal to arrearages of such support  
 5 obligations assigned, pursuant to part A, to any  
 6 other State or States shall be paid to such  
 7 other State or States and used to pay any such  
 8 arrearages (with appropriate reimbursement of  
 9 the Federal Government to the extent of its  
 10 participation in the financing); and then (C)  
 11 any remainder shall be paid to the family.”; and  
 12 (3) by inserting after subsection (a), as redesign-  
 13 nated, the following new subsection:

14 “(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAM-  
 15 ILY RECEIVING TEA.—In the case of a State electing the  
 16 option under this subsection, amounts collected as de-  
 17 scribed in subsection (a) shall be distributed as follows:

18 “(1) an amount equal to the amount that will  
 19 be disregarded pursuant to section 402(d)(2)(C)  
 20 shall be taken from each of—

21 “(A) the amounts received in a month  
 22 which represent payments for that month; and

23 “(B) the amounts received in a month  
 24 which represent payments for a prior month

1           which were made by the absent parent in that  
2           prior month;

3           and shall be paid to the family without affecting its  
4           eligibility for assistance or decreasing any amount  
5           otherwise payable as assistance to such family dur-  
6           ing such month;

7           “(2) second, from any remainder, amounts  
8           equal to the balance of support owed for the current  
9           month shall be paid to the family;

10          “(3) third, from any remainder, amounts equal  
11          to arrearages of such support obligations assigned,  
12          pursuant to part A, to the State making the collec-  
13          tion shall be retained and used by such State to pay  
14          any such arrearages (with appropriate reimburse-  
15          ment of the Federal Government to the extent of its  
16          participation in the financing);

17          “(4) fourth, from any remainder, amounts  
18          equal to arrearages of such support obligations as-  
19          signed, pursuant to part A, to any other State or  
20          States shall be paid to such other State or States  
21          and used to pay any such arrearages (with appro-  
22          priate reimbursement of the Federal Government to  
23          the extent of its participation in the financing); and

24          “(5) fifth, any remainder shall be paid to the  
25          family.”.

1 (c) DISTRIBUTION TO A FAMILY NOT RECEIVING  
2 TEA.—Section 457(c) (42 U.S.C. 657(c)) is amended to  
3 read as follows:

4 “(c) DISTRIBUTIONS IN CASE OF FAMILY NOT RE-  
5 CEIVING TEA.—Amounts collected by a State agency  
6 under this part during any month as support of a child  
7 who is not receiving assistance under part A (or of a par-  
8 ent or caretaker relative of such a child) shall (subject to  
9 the remaining provisions of this section) be distributed as  
10 follows:

11 “(1) first, amounts equal to the total of such  
12 support owed for such month shall be paid to the  
13 family;

14 “(2) second, from any remainder, amounts  
15 equal to arrearages of such support obligations for  
16 months during which such child did not receive as-  
17 sistance under part A shall be paid to the family;

18 “(3) third, from any remainder, amounts equal  
19 to arrearages of such support obligations assigned to  
20 the State making the collection pursuant to part A  
21 shall be retained and used by such State to pay any  
22 such arrearages (with appropriate reimbursement of  
23 the Federal Government to the extent of its partici-  
24 pation in the financing); and



1           “(4) fourth, from any remainder, amounts  
2       equal to arrearages of such support obligations as-  
3       signed to any other State pursuant to part A shall  
4       be paid to such other State or States, and used to  
5       pay such arrearages, in the order in which such ar-  
6       rearages accrued (with appropriate reimbursement  
7       of the Federal Government to the extent of its par-  
8       ticipation in the financing).”.

9       (d) DISTRIBUTION TO A CHILD RECEIVING ASSIST-  
10   ANCE UNDER TITLE IV-E.—Section 457(d) (42 U.S.C.  
11   657(d)) is amended, in the matter preceding paragraph  
12   (1), by striking “Notwithstanding the preceding provisions  
13   of this section, amounts” and inserting the following:

14       “(d) DISTRIBUTIONS IN CASE OF A CHILD RECEIV-  
15   ING ASSISTANCE UNDER TITLE IV-E.—Amounts”.

16       (e) REGULATIONS.—The Secretary of Health and  
17   Human Services shall promulgate regulations under part  
18   A of title IV of the Social Security Act, establishing stand-  
19   ards applicable to States electing the alternative formula  
20   under section 457(b) of such Act for distribution of collec-  
21   tions on behalf of families receiving temporary employ-  
22   ment assistance, designed to minimize irregular monthly  
23   payments to such families.

24       (f) CLERICAL AMENDMENTS.—Section 454 (42  
25   U.S.C. 654) is amended—

1 (1) in paragraph (11)—

2 (A) by striking “(11)” and inserting  
3 “(11)(A)”; and

4 (B) by inserting after the semicolon “and”;  
5 and

6 (2) by redesignating paragraph (12) as sub-  
7 paragraph (B) of paragraph (11).

8 (f) EFFECTIVE DATES.—

9 (1) IN GENERAL.—Except as otherwise pro-  
10 vided in this subsection, the amendments made by  
11 this section shall become effective on October 1,  
12 1996.

13 (2) FAMILY NOT RECEIVING TEA.—The amend-  
14 ment made by subsection (c) shall become effective  
15 on October 1, 1999.

16 (3) SPECIAL RULES.—

17 (A) APPLICABILITY.—A State may elect to  
18 have the amendments made by this section  
19 (other than subsection (c)) become effective  
20 only with respect to child support cases begin-  
21 ning on or after October 1, 1996.

22 (B) DELAYED IMPLEMENTATION.—A State  
23 may elect to have the amendments made by this  
24 section (other than subsection (c)) become ef-  
25 fective on a date later than October 1, 1996,

1           which date shall coincide with the operation of  
2           the single statewide automated data processing  
3           and information retrieval system required by  
4           section 454A of the Social Security Act (as  
5           added by section 515(a)(2) of this Act) and the  
6           State centralized collection unit required by sec-  
7           tion 454B of the Social Security Act (as added  
8           by section 522(b) of this Act).

9   **SEC. 503. RIGHTS TO NOTIFICATION AND HEARINGS.**

10       (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as  
11       amended by section 502(f), is amended by inserting after  
12       paragraph (11) the following new paragraph:

13           “(12) establish procedures to provide that—

14               “(A) individuals who are applying for or  
15               receiving services under this part, or are parties  
16               to cases in which services are being provided  
17               under this part—

18                   “(i) receive notice of all proceedings in  
19                   which support obligations might be estab-  
20                   lished or modified; and

21                   “(ii) receive a copy of any order estab-  
22                   lishing or modifying a child support obliga-  
23                   tion, or (in the case of a petition for modi-  
24                   fication) a notice of determination that  
25                   there should be no change in the amount

1 of the child support award, within 14 days  
2 after issuance of such order or determina-  
3 tion;

4 “(B) individuals applying for or receiving  
5 services under this part have access to a fair  
6 hearing or other formal complaint procedure  
7 that ensures prompt consideration and resolu-  
8 tion of complaints (but the resort to such proce-  
9 dure shall not stay the enforcement of any sup-  
10 port order); and

11 “(C) the State may not provide to any  
12 noncustodial parent of a child representation re-  
13 lating to the establishment or modification of  
14 an order for the payment of child support with  
15 respect to that child, unless the State makes  
16 provision for such representation outside the  
17 State agency;”.

18 (b) EFFECTIVE DATE.—The amendment made by  
19 subsection (a) shall become effective on October 1, 1997.

20 **SEC. 504. PRIVACY SAFEGUARDS.**

21 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
22 U.S.C. 654), as amended by section 501(b)(4), is amend-  
23 ed—

24 (1) by striking “and” at the end of paragraph  
25 (24);

1           (2) by striking the period at the end of para-  
2 graph (25) and inserting “; and”; and

3           (3) by adding after paragraph (25) the follow-  
4 ing:

5           “(26) provide that the State will have in effect  
6 safeguards applicable to all sensitive and confidential  
7 information handled by the State agency designed to  
8 protect the privacy rights of the parties, including—

9           “(A) safeguards against unauthorized use  
10 or disclosure of information relating to proceed-  
11 ings or actions to establish paternity, or to es-  
12 tablish or enforce support;

13           “(B) prohibitions on the release of infor-  
14 mation on the whereabouts of 1 party to an-  
15 other party against whom a protective order  
16 with respect to the former party has been en-  
17 tered; and

18           “(C) prohibitions on the release of infor-  
19 mation on the whereabouts of 1 party to an-  
20 other party if the State has reason to believe  
21 that the release of the information may result  
22 in physical or emotional harm to the former  
23 party.”.

24           (b) EFFECTIVE DATE.—The amendment made by  
25 subsection (a) shall become effective on October 1, 1997.

1       **PART II—PROGRAM ADMINISTRATION AND**  
2                                   **FUNDING**

3   **SEC. 511. FEDERAL MATCHING PAYMENTS.**

4       (a) INCREASED BASE MATCHING RATE.—Section  
5   455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as  
6   follows:

7               “(2) The applicable percent for a quarter for  
8       purposes of paragraph (1)(A) is—

9               “(A) for fiscal years 1996, 1997, and  
10       1998, 66 percent,

11               “(B) for fiscal year 1999, 69 percent,

12               “(C) for fiscal year 2000, 72 percent, and

13               “(D) for fiscal year 2001 and succeeding  
14       fiscal years, 75 percent.”.

15       (b) MAINTENANCE OF EFFORT.—Section 455 (42  
16   U.S.C. 655) is amended—

17               (1) in subsection (a)(1), in the matter preced-  
18       ing subparagraph (A), by striking “From” and in-  
19       serting “Subject to subsection (c), from”; and

20               (2) by inserting after subsection (b) the follow-  
21       ing new subsection:

22       “(c) Notwithstanding the provisions of subsection (a),  
23   total expenditures for the State program under this part  
24   for fiscal year 1999 and each succeeding fiscal year (ex-  
25   cluding 1-time capital expenditures for automation), re-  
26   duced by the percentage specified for such fiscal year

1 under subsection (a)(2) shall not be less than such total  
2 expenditures for fiscal year 1996, reduced by 66 percent.”.

3 **SEC. 512. PERFORMANCE-BASED INCENTIVES AND PEN-**  
4 **ALTIES.**

5 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-  
6 ING RATE.—Section 458 (42 U.S.C. 658) is amended to  
7 read as follows:

8 “INCENTIVE ADJUSTMENTS TO MATCHING RATE

9 “SEC. 458. (a) INCENTIVE ADJUSTMENT.—

10 “(1) IN GENERAL.—In order to encourage and  
11 reward State child support enforcement programs  
12 which perform in an effective manner, the Federal  
13 matching rate for payments to a State under section  
14 455(a)(1)(A), for each fiscal year beginning on or  
15 after October 1, 1998, shall be increased by a factor  
16 reflecting the sum of the applicable incentive adjust-  
17 ments (if any) determined in accordance with regu-  
18 lations under this section with respect to Statewide  
19 paternity establishment and to overall performance  
20 in child support enforcement.

21 “(2) STANDARDS.—

22 “(A) IN GENERAL.—The Secretary shall  
23 specify in regulations—

24 “(i) the levels of accomplishment, and  
25 rates of improvement as alternatives to  
26 such levels, which States must attain to

1           qualify for incentive adjustments under  
2           this section; and

3           “(ii) the amounts of incentive adjust-  
4           ment that shall be awarded to States  
5           achieving specified accomplishment or im-  
6           provement levels, which amounts shall be  
7           graduated, ranging up to—

8                   “(I) 5 percentage points, in con-  
9                   nection with Statewide paternity es-  
10                  tablishment; and

11                  “(II) 10 percentage points, in  
12                  connection with overall performance in  
13                  child support enforcement.

14           “(B) LIMITATION.—In setting performance  
15           standards pursuant to subparagraph (A)(i) and  
16           adjustment amounts pursuant to subparagraph  
17           (A)(ii), the Secretary shall ensure that the ag-  
18           gregate number of percentage point increases as  
19           incentive adjustments to all States do not ex-  
20           ceed such aggregate increases as assumed by  
21           the Secretary in estimates of the cost of this  
22           section as of June 1995, unless the aggregate  
23           performance of all States exceeds the projected  
24           aggregate performance of all States in such cost  
25           estimates.



1           “(3) DETERMINATION OF INCENTIVE ADJUST-  
2           MENT.—The Secretary shall determine the amount  
3           (if any) of incentive adjustment due each State on  
4           the basis of the data submitted by the State pursu-  
5           ant to section 454(15)(B) concerning the levels of  
6           accomplishment (and rates of improvement) with re-  
7           spect to performance indicators specified by the Sec-  
8           retary pursuant to this section.

9           “(4) FISCAL YEAR SUBJECT TO INCENTIVE AD-  
10          JUSTMENT.—The total percentage point increase de-  
11          termined pursuant to this section with respect to a  
12          State program in a fiscal year shall apply as an ad-  
13          justment to the applicable percent under section  
14          455(a)(2) for payments to such State for the suc-  
15          ceeding fiscal year.

16          “(5) RECYCLING OF INCENTIVE ADJUST-  
17          MENT.—A State shall expend in the State program  
18          under this part all funds paid to the State by the  
19          Federal Government as a result of an incentive ad-  
20          justment under this section.

21          “(b) MEANING OF TERMS.—

22                 “(1) STATEWIDE PATERNITY ESTABLISHMENT  
23                 PERCENTAGE.—

24                         “(A) IN GENERAL.—For purposes of this  
25                         section, the term ‘Statewide paternity establish-

1           ment percentage’ means, with respect to a fiscal  
2           year, the ratio (expressed as a percentage) of—

3                   “(i) the total number of out-of-wed-  
4                   lock children in the State under 1 year of  
5                   age for whom paternity is established or  
6                   acknowledged during the fiscal year, to

7                   “(ii) the total number of children re-  
8                   quiring paternity establishment born in the  
9                   State during such fiscal year.

10                   “(B) ALTERNATIVE MEASUREMENT.—The  
11                   Secretary shall develop an alternate method of  
12                   measurement for the Statewide paternity estab-  
13                   lishment percentage for any State that does not  
14                   record the out-of-wedlock status of children on  
15                   birth certificates.

16                   “(2) OVERALL PERFORMANCE IN CHILD SUP-  
17                   PORT ENFORCEMENT.—The term ‘overall perform-  
18                   ance in child support enforcement’ means a measure  
19                   or measures of the effectiveness of the State agency  
20                   in a fiscal year which takes into account factors in-  
21                   cluding—

22                   “(A) the percentage of cases requiring a  
23                   child support order in which such an order was  
24                   established;

1           “(B) the percentage of cases in which child  
2           support is being paid;

3           “(C) the ratio of child support collected to  
4           child support due; and

5           “(D) the cost-effectiveness of the State  
6           program, as determined in accordance with  
7           standards established by the Secretary in regu-  
8           lations.”.

9           (b) ADJUSTMENT OF PAYMENTS UNDER PART D OF  
10          TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as  
11          amended by section 511(a), is amended—

12           (1) by striking the period at the end of sub-  
13          paragraph (C) and inserting a comma; and

14           (2) by adding after and below subparagraph  
15          (C), flush with the left margin of the paragraph, the  
16          following:

17          “increased by the incentive adjustment factor (if any) de-  
18          termined by the Secretary pursuant to section 458.”.

19           (c) CONFORMING AMENDMENTS.—Section 454(22)  
20          (42 U.S.C. 654(22)) is amended—

21           (1) by striking “incentive payments” the first  
22          place it appears and inserting “incentive adjust-  
23          ments”; and

24           (2) by striking “any such incentive payments  
25          made to the State for such period” and inserting

1 “any increases in Federal payments to the State re-  
2 sulting from such incentive adjustments”.

3 (d) CALCULATION OF IV-D PATERNITY ESTABLISH-  
4 MENT PERCENTAGE.—

5 (1) OVERALL PERFORMANCE.—Section  
6 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the  
7 matter preceding subparagraph (A) by inserting “its  
8 overall performance in child support enforcement is  
9 satisfactory (as defined in section 458(b) and regula-  
10 tions of the Secretary), and” after “1994,”.

11 (2) DEFINITION.—Section 452(g)(2)(A) (42  
12 U.S.C. 652(g)(2)(A)) is amended, in the matter pre-  
13 ceding clause (i)—

14 (A) by striking “paternity establishment  
15 percentage” and inserting “IV-D paternity es-  
16 tablishment percentage”; and

17 (B) by striking “(or all States, as the case  
18 may be)”.

19 (3) MODIFICATION OF REQUIREMENTS.—Sec-  
20 tion 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

21 (A) by striking subparagraph (A) and re-  
22 designating subparagraphs (B) and (C) as sub-  
23 paragraphs (A) and (B), respectively;

24 (B) in subparagraph (A), as redesignated,  
25 by striking “the percentage of children born

1 out-of-wedlock in the State” and inserting “the  
 2 percentage of children in the State who are  
 3 born out of wedlock or for whom support has  
 4 not been established”; and

5 (C) in subparagraph (B), as redesign-  
 6 nated—

7 (i) by inserting “and overall perform-  
 8 ance in child support enforcement” after  
 9 “paternity establishment percentages”; and

10 (ii) by inserting “and securing sup-  
 11 port” before the period.

12 (e) REDUCTION OF PAYMENTS UNDER PART D OF  
 13 TITLE IV.—

14 (1) NEW REQUIREMENTS.—Section 455 (42  
 15 U.S.C. 655) is amended—

16 (A) by redesignating subsection (e) as sub-  
 17 section (f); and

18 (B) by inserting after subsection (d) the  
 19 following new subsection:

20 “(e)(1) Notwithstanding any other provision of law,  
 21 if the Secretary finds, with respect to a State program  
 22 under this part in a fiscal year beginning on or after Octo-  
 23 ber 1, 1997—

24 “(A)(i) on the basis of data submitted by a  
 25 State pursuant to section 454(15)(B), that the State

1 program in such fiscal year failed to achieve the IV-  
2 D paternity establishment percentage (as defined in  
3 section 452(g)(2)(A)) or the appropriate level of  
4 overall performance in child support enforcement (as  
5 defined in section 458(b)(2)), or to meet other per-  
6 formance measures that may be established by the  
7 Secretary, or

8 “(ii) on the basis of an audit or audits of such  
9 State data conducted pursuant to section  
10 452(a)(4)(C), that the State data submitted pursu-  
11 ant to section 454(15)(B) is incomplete or unreli-  
12 able; and

13 “(B) that, with respect to the succeeding fiscal  
14 year—

15 “(i) the State failed to take sufficient cor-  
16 rective action to achieve the appropriate per-  
17 formance levels as described in subparagraph  
18 (A)(i) of this paragraph, or

19 “(ii) the data submitted by the State pur-  
20 suant to section 454(15)(B) is incomplete or  
21 unreliable,

22 the amounts otherwise payable to the State under this  
23 part for quarters following the end of such succeeding fis-  
24 cal year, prior to quarters following the end of the first  
25 quarter throughout which the State program is in compli-

1   ance with such performance requirement, shall be reduced  
 2   by the percentage specified in paragraph (2).

3       “(2) The reductions required under paragraph (1)  
 4   shall be—

5           “(A) not less than 3 nor more than 5 percent,  
 6       or

7           “(B) not less than 5 nor more than 7 percent,  
 8       if the finding is the second consecutive finding made  
 9       pursuant to paragraph (1), or

10          “(C) not less than 7 nor more than 10 percent,  
 11       if the finding is the third or a subsequent consecu-  
 12       tive such finding.

13       “(3) For purposes of this subsection, section 406(b),  
 14   and section 452(a)(4), a State which is determined as a  
 15   result of an audit to have submitted incomplete or unreli-  
 16   able data pursuant to section 454(15)(B), shall be deter-  
 17   mined to have submitted adequate data if the Secretary  
 18   determines that the extent of the incompleteness or  
 19   unreliability of the data is of a technical nature which does  
 20   not adversely affect the determination of the level of the  
 21   State’s performance.”.

22           (2) CONFORMING AMENDMENTS.—Subsections  
 23       (d)(3)(A), (g)(1), and (g)(3)(A) of section 452 (42  
 24       U.S.C. 652) are each amended by striking “403(h)”  
 25       and inserting “455(e)”.

1 (f) EFFECTIVE DATES.—

2 (1) INCENTIVE ADJUSTMENTS.—

3 (A) IN GENERAL.—The amendments made  
4 by subsections (a), (b), and (c) shall become ef-  
5 fective on October 1, 1997, except to the extent  
6 provided in subparagraph (B).

7 (B) EXCEPTION.—Section 458 of the So-  
8 cial Security Act, as in effect prior to the enact-  
9 ment of this section, shall be effective for pur-  
10 poses of incentive payments to States for fiscal  
11 years prior to fiscal year 1999.

12 (2) PENALTY REDUCTIONS.—

13 (A) IN GENERAL.—The amendments made  
14 by subsection (d) shall become effective with re-  
15 spect to calendar quarters beginning on and  
16 after the date of the enactment of this Act.

17 (B) REDUCTIONS.—The amendments  
18 made by subsection (e) shall become effective  
19 with respect to calendar quarters beginning on  
20 and after the date 1 which is year after the  
21 date of the enactment of this Act.

22 **SEC. 513. FEDERAL AND STATE REVIEWS AND AUDITS.**

23 (a) STATE AGENCY ACTIVITIES.—Section 454 (42  
24 U.S.C. 654) is amended—

25 (1) in paragraph (14)—



1 (A) by striking “(14)” and inserting  
2 “(14)(A)”; and

3 (B) by inserting after the semicolon “and”;

4 (2) by redesignating paragraph (15) as sub-  
5 paragraph (B) of paragraph (14); and

6 (3) by inserting after paragraph (14) the fol-  
7 lowing new paragraph:

8 “(15) provide for—

9 “(A) a process for annual reviews of and  
10 reports to the Secretary on the State program  
11 under this part—

12 “(i) which shall include such informa-  
13 tion as may be necessary to measure State  
14 compliance with Federal requirements for  
15 expedited procedures and timely case proc-  
16 essing, using such standards and proce-  
17 dures as are required by the Secretary;  
18 and

19 “(ii) under which the State agency  
20 will determine the extent to which such  
21 program is in conformity with applicable  
22 requirements with respect to the operation  
23 of State programs under this part (includ-  
24 ing the status of complaints filed under the

1 procedure required under paragraph  
2 (12)(B)); and

3 “(B) a process of extracting from the  
4 State automated data processing system and  
5 transmitting to the Secretary data and calcula-  
6 tions concerning the levels of accomplishment  
7 (and rates of improvement) with respect to ap-  
8 plicable performance indicators (including IV–D  
9 paternity establishment percentages and overall  
10 performance in child support enforcement) to  
11 the extent necessary for purposes of sections  
12 452(g) and 458.”.

13 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42  
14 U.S.C. 652(a)(4)) is amended to read as follows:

15 “(4)(A) review data and calculations transmit-  
16 ted by State agencies pursuant to section  
17 454(15)(B) on State program accomplishments with  
18 respect to performance indicators for purposes of  
19 section 452(g) and 458, and determine the amount  
20 (if any) of penalty reductions pursuant to section  
21 455(e) to be applied to the State;

22 “(B) review annual reports by State agencies  
23 pursuant to section 454(15)(A) on State program  
24 conformity with Federal requirements; evaluate any  
25 elements of a State program in which significant de-

1       iciencies are indicated by such report on the status  
2       of complaints under the State procedure under sec-  
3       tion 454(12)(B); and, as appropriate, provide to the  
4       State agency comments, recommendations for addi-  
5       tional or alternative corrective actions, and technical  
6       assistance; and

7               “(C) conduct audits, in accordance with the  
8       government auditing standards of the United States  
9       Comptroller General—

10               “(i) at least once every 3 years (or more  
11       frequently, in the case of a State which fails to  
12       meet requirements of this part, or of regula-  
13       tions implementing such requirements, concern-  
14       ing performance standards and reliability of  
15       program data) to assess the completeness, reli-  
16       ability, and security of the data, and the accu-  
17       racy of the reporting systems, used for the cal-  
18       culations of performance indicators specified in  
19       subsection (g) and section 458;

20               “(ii) of the adequacy of financial manage-  
21       ment of the State program, including assess-  
22       ments of—

23               “(I) whether Federal and other funds  
24       made available to carry out the State pro-  
25       gram under this part are being appro-

1           priately expended, and are properly and  
2           fully accounted for; and

3           “(II) whether collections and disburse-  
4           ments of support payments and program  
5           income are carried out correctly and are  
6           properly and fully accounted for; and

7           “(iii) for such other purposes as the Sec-  
8           retary may find necessary;”.

9       (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall be effective with respect to calendar  
11 quarters beginning on or after the date which is 1 year  
12 after the enactment of this section.

13 **SEC. 514. REQUIRED REPORTING PROCEDURES.**

14       (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.  
15 652(a)(5)) is amended by inserting “, and establish proce-  
16 dures to be followed by States for collecting and reporting  
17 information required to be provided under this part, and  
18 establish uniform definitions (including those necessary to  
19 enable the measurement of State compliance with the re-  
20 quirements of this part relating to expedited processes and  
21 timely case processing) to be applied in following such pro-  
22 cedures” before the semicolon.

23       (b) STATE PLAN REQUIREMENT.—Section 454 (42  
24 U.S.C. 654), as amended by sections 501(b)(4) and  
25 504(a), is amended—

1 (1) by striking “and” at the end of paragraph  
2 (25);

3 (2) by striking the period at the end of para-  
4 graph (26) and inserting “; and”; and

5 (3) by adding after paragraph (26) the follow-  
6 ing:

7 “(27) provide that the State shall use the defi-  
8 nitions established under section 452(a)(5) in col-  
9 lecting and reporting information as required under  
10 this part.”.

11 **SEC. 515. AUTOMATED DATA PROCESSING REQUIREMENTS.**

12 (a) REVISED REQUIREMENTS.—

13 (1) STATE PLAN.—Section 454(16) (42 U.S.C.  
14 654(16)) is amended—

15 (A) by striking “, at the option of the  
16 State,”;

17 (B) by inserting “and operation by the  
18 State agency” after “for the establishment”;

19 (C) by inserting “meeting the requirements  
20 of section 454A” after “information retrieval  
21 system”;

22 (D) by striking “in the State and localities  
23 thereof, so as (A)” and inserting “so as”;

24 (E) by striking “(i)”;

1 (F) by striking “(including, but not limited  
2 to,” and all that follows and to the semicolon.

3 (2) AUTOMATED DATA PROCESSING.—Part D of  
4 title IV (42 U.S.C. 651–669) is amended by insert-  
5 ing after section 454 the following new section:

6 “AUTOMATED DATA PROCESSING

7 “SEC. 454A. (a) IN GENERAL.—In order to meet the  
8 requirements of this section, for purposes of the require-  
9 ment of section 454(16), a State agency shall have in op-  
10 eration a single statewide automated data processing and  
11 information retrieval system which has the capability to  
12 perform the tasks specified in this section, and performs  
13 such tasks with the frequency and in the manner specified  
14 in this part or in regulations or guidelines of the Sec-  
15 retary.

16 “(b) PROGRAM MANAGEMENT.—The automated sys-  
17 tem required under this section shall perform such func-  
18 tions as the Secretary may specify relating to management  
19 of the program under this part, including—

20 “(1) controlling and accounting for use of Fed-  
21 eral, State, and local funds to carry out such pro-  
22 gram; and

23 “(2) maintaining the data necessary to meet  
24 Federal reporting requirements on a timely basis.

25 “(c) CALCULATION OF PERFORMANCE INDICA-  
26 TORS.—In order to enable the Secretary to determine the

1 incentive and penalty adjustments required by sections  
2 452(g) and 458, the State agency shall—

3 “(1) use the automated system—

4 “(A) to maintain the requisite data on  
5 State performance with respect to paternity es-  
6 tablishment and child support enforcement in  
7 the State; and

8 “(B) to calculate the IV–D paternity es-  
9 tablishment percentage and overall performance  
10 in child support enforcement for the State for  
11 each fiscal year; and

12 “(2) have in place systems controls to ensure  
13 the completeness, and reliability of, and ready access  
14 to, the data described in paragraph (1)(A), and the  
15 accuracy of the calculations described in paragraph  
16 (1)(B).

17 “(d) INFORMATION INTEGRITY AND SECURITY.—The  
18 State agency shall have in effect safeguards on the integ-  
19 rity, accuracy, and completeness of, access to, and use of  
20 data in the automated system required under this section,  
21 which shall include the following (in addition to such other  
22 safeguards as the Secretary specifies in regulations):

23 “(1) POLICIES RESTRICTING ACCESS.—Written  
24 policies concerning access to data by State agency

1 personnel, and sharing of data with other persons,  
2 which—

3 “(A) permit access to and use of data only  
4 to the extent necessary to carry out program re-  
5 sponsibilities;

6 “(B) specify the data which may be used  
7 for particular program purposes, and the per-  
8 sonnel permitted access to such data; and

9 “(C) ensure that data obtained or disclosed  
10 for a limited program purpose is not used or  
11 redisclosed for another, impermissible purpose.

12 “(2) SYSTEMS CONTROLS.—Systems controls  
13 (such as passwords or blocking of fields) to ensure  
14 strict adherence to the policies specified under para-  
15 graph (1).

16 “(3) MONITORING OF ACCESS.—Routine mon-  
17 itoring of access to and use of the automated sys-  
18 tem, through methods such as audit trails and feed-  
19 back mechanisms, to guard against and promptly  
20 identify unauthorized access or use.

21 “(4) TRAINING AND INFORMATION.—The State  
22 agency shall have in effect procedures to ensure that  
23 all personnel (including State and local agency staff  
24 and contractors) who may have access to or be re-  
25 quired to use sensitive or confidential program data



1 are fully informed of applicable requirements and  
2 penalties, and are adequately trained in security pro-  
3 cedures.

4 “(5) PENALTIES.—The State agency shall have  
5 in effect administrative penalties (up to and includ-  
6 ing dismissal from employment) for unauthorized ac-  
7 cess to, or disclosure or use of, confidential data.”.

8 (3) REGULATIONS.—Section 452 (42 U.S.C.  
9 652) is amended by adding at the end the following  
10 new subsection:

11 “(j) The Secretary shall prescribe final regulations  
12 for implementation of the requirements of section 454A  
13 not later than 2 years after the date of the enactment of  
14 this subsection.”.

15 (4) IMPLEMENTATION TIMETABLE.—Section  
16 454(24) (42 U.S.C. 654(24)), as amended by sec-  
17 tions 504(a)(2) and 514(b)(1), is amended to read  
18 as follows:

19 “(24) provide that the State will have in effect  
20 an automated data processing and information re-  
21 trieval system—

22 “(A) by October 1, 1996, meeting all re-  
23 quirements of this part which were enacted on  
24 or before the date of the enactment of the Fam-  
25 ily Support Act of 1988; and

1           “(B) by October 1, 1999, meeting all re-  
 2           quirements of this part enacted on or before the  
 3           date of the enactment of the Interstate Child  
 4           Support Responsibility Act of 1995 (but this  
 5           provision shall not be construed to alter earlier  
 6           deadlines specified for elements of such sys-  
 7           tem), except that such deadline shall be ex-  
 8           tended by 1 day for each day (if any) by which  
 9           the Secretary fails to meet the deadline imposed  
 10          by section 452(j);”.

11          (b) SPECIAL FEDERAL MATCHING RATE FOR DE-  
 12          VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

13           (1) IN GENERAL.—Section 455(a) (42 U.S.C.  
 14          655(a)) is amended—

15           (A) in paragraph (1)(B)—

16           (i) by striking “90 percent” and in-  
 17           serting “the percent specified in paragraph  
 18           (3)”;

19           (ii) by striking “so much of”; and

20           (iii) by striking “which the Secretary”  
 21           and all that follows through “thereof”; and

22           (B) by adding at the end the following new  
 23          paragraph:

24          “(3)(A) The Secretary shall pay to each State, for  
 25          each quarter in fiscal year 1996, 90 percent of so much

1 of State expenditures described in paragraph (1)(B) as the  
 2 Secretary finds are for a system meeting the requirements  
 3 specified in section 454(16), or meeting such requirements  
 4 without regard to subparagraph (D) thereof, but limited  
 5 to the amount approved for the State in the advance plan-  
 6 ning document of such State submitted before May 1,  
 7 1995.

8 “(B)(i) The Secretary shall pay to each State, for  
 9 each quarter in fiscal years 1997 through 2001, the per-  
 10 centage specified in clause (ii) of so much of State expend-  
 11 itures described in paragraph (1)(B) as the Secretary  
 12 finds are for a system meeting the requirements specified  
 13 in section 454(16) and 454A.

14 “(ii) The percentage specified in this clause, for pur-  
 15 poses of clause (i), is the higher of—

16 “(I) 80 percent, or

17 “(II) the percentage otherwise applicable to  
 18 Federal payments to the State under paragraph  
 19 (1)(A) (as adjusted pursuant to section 458).”.

20 (2) TEMPORARY LIMITATION ON PAYMENTS  
 21 UNDER SPECIAL FEDERAL MATCHING RATE.—

22 (A) IN GENERAL.—The Secretary of  
 23 Health and Human Services may not pay more  
 24 than \$260,000,000 in the aggregate under sec-

tion 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

1 **SEC. 516. DIRECTOR OF CSE PROGRAM; STAFFING STUDY.**

2 (a) REPORTING TO SECRETARY.—Section 452(a) (42  
3 U.S.C. 652(a)) is amended in the matter preceding para-  
4 graph (1) by striking “directly”.

5 (b) STAFFING STUDIES.—

6 (1) SCOPE.—The Secretary of Health and  
7 Human Services (in this subsection referred to as  
8 the “Secretary”) shall, directly or by contract, con-  
9 duct studies of the staffing of each State child sup-  
10 port enforcement program under part D of title IV  
11 of the Social Security Act. Such studies shall—

12 (A) include a review of the staffing needs  
13 created by requirements for automated data  
14 processing, maintenance of a central case reg-  
15 istry and centralized collections of child sup-  
16 port, and of changes in these needs resulting  
17 from changes in such requirements; and

18 (B) examine and report on effective staff-  
19 ing practices used by the States and on rec-  
20 ommended staffing procedures.

21 (2) FREQUENCY OF STUDIES.—The Secretary  
22 shall complete the first staffing study required under  
23 paragraph (1) not later than October 1, 1997, and  
24 may conduct additional studies subsequently at ap-  
25 propriate intervals.

1           (3) REPORT TO THE CONGRESS.—The Sec-  
2       retary shall submit a report to the Congress stating  
3       the findings and conclusions of each study conducted  
4       under this subsection.

5   **SEC. 517. FUNDING FOR ASSISTANCE TO STATE PROGRAMS.**

6       Section 452 (42 U.S.C. 652), as amended by section  
7   515(a)(3), is amended by adding at the end the following  
8   new subsection:

9       “(k)(1) There shall be available to the Secretary,  
10   from amounts appropriated for fiscal year 1996 and each  
11   succeeding fiscal year for payments to States under this  
12   part, the amount specified in paragraph (2) for the costs  
13   to the Secretary for—

14           “(A) information dissemination and technical  
15       assistance to States, training of State and Federal  
16       staff, staffing studies, and related activities needed  
17       to improve programs (including technical assistance  
18       concerning State automated systems);

19           “(B) research, demonstration, and special  
20       projects of regional or national significance relating  
21       to the operation of State programs under this part;  
22       and

23           “(C) operation of the Federal Parent Locator  
24       Service under section 453, to the extent such costs  
25       are not recovered through user fees.

1       “(2) The amount specified in this paragraph for a  
 2 fiscal year is the amount equal to a percentage of the re-  
 3 duction in Federal payments to States under part A on  
 4 account of child support (including arrearages) collected  
 5 in the preceding fiscal year on behalf of children receiving  
 6 assistance under such part A in such preceding fiscal year  
 7 (as determined on the basis of the most recent reliable  
 8 data available to the Secretary as of the end of the third  
 9 calendar quarter following the end of such preceding fiscal  
 10 year), equal to—

11               “(A) 1 percent, for the activities specified in  
 12               subparagraphs (A) and (B) of paragraph (1); and

13               “(B) 2 percent, for the activities specified in  
 14               subparagraph (C) of paragraph (1).”.

15 **SEC. 518. DATA COLLECTION AND REPORTS BY THE SEC-**  
 16 **RETARY.**

17       (a) ANNUAL REPORT TO CONGRESS.—

18               (1) IN GENERAL.—Section 452(a)(10)(A) (42  
 19 U.S.C. 652(a)(10)(A)) is amended—

20                       (A) by striking “this part;” and inserting  
 21                       “this part, including—”; and

22                       (B) by adding at the end the following in-  
 23                       dented clauses:

24                               “(i) the total amount of child support  
 25                               payments collected as a result of services

1 furnished during such fiscal year to indi-  
2 viduals receiving services under this part;

3 “(ii) the cost to the States and to the  
4 Federal Government of furnishing such  
5 services to those individuals; and

6 “(iii) the number of cases involving  
7 families—

8 “(I) who became ineligible for as-  
9 sistance under part A during a month  
10 in such fiscal year; and

11 “(II) with respect to whom a  
12 child support payment was received in  
13 the same month;”.

14 (2) CERTAIN DATA.—Section 452(a)(10)(C) (42  
15 U.S.C. 652(a)(10)(C)) is amended—

16 (A) in the matter preceding clause (i), by  
17 striking “with the data required under each  
18 clause being separately stated for cases” and all  
19 that follows through “part:” and inserting “sep-  
20 arately stated for cases where the family of the  
21 child is receiving temporary employment assist-  
22 ance (or foster care maintenance payments  
23 under part E), or formerly received such assist-  
24 ance or payments and the State is continuing to  
25 collect support assigned to it under section



1           402(c), 471(a)(17), or 1912, and all other cases  
2           under this part—”;

3           (B) in each of clauses (i) and (ii), by strik-  
4           ing “, and the total amount of such obliga-  
5           tions”;

6           (C) in clause (iii), by striking “described  
7           in” and all that follows through the semicolon  
8           and inserting “in which support was collected  
9           during the fiscal year;”;

10          (D) by striking clause (iv); and

11          (E) by redesignating clause (v) as clause  
12          (vii), and inserting after clause (iii) the follow-  
13          ing new clauses:

14               “(iv) the total amount of support col-  
15               lected during such fiscal year and distrib-  
16               uted as current support;

17               “(v) the total amount of support col-  
18               lected during such fiscal year and distrib-  
19               uted as arrearages;

20               “(vi) the total amount of support due  
21               and unpaid for all fiscal years; and”.

22          (3) USE OF FEDERAL COURTS.—Section  
23          452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amend-  
24          ed by striking “on the use of Federal courts and”.

1           (4) ADDITIONAL INFORMATION NOT NEC-  
2        ESSARY.—Section 452(a)(10) (42 U.S.C.  
3        652(a)(10)) is amended by striking all that follows  
4        subparagraph (I).

5        (b) DATA COLLECTION AND REPORTING.—Section  
6        469 (42 U.S.C. 669) is amended—

7           (1) by striking subsections (a) and (b) and in-  
8        serting the following:

9        “(a) The Secretary shall collect and maintain, on a  
10       fiscal year basis, up-to-date statistics, by State, with re-  
11       spect to services to establish paternity and services to es-  
12       tablish child support obligations, the data specified in sub-  
13       section (b), separately stated, in the case of each such  
14       service, with respect to—

15           “(1) families (or needy children) receiving as-  
16       sistance under plans approved under part A (or E);  
17       and

18           “(2) families not receiving such assistance.

19        “(b) The data referred to in subsection (a) are—

20           “(1) the number of cases in the caseload of the  
21       State agency administering the plan under this part  
22       in which such service is needed; and

23           “(2) the number of such cases in which the  
24       service has been provided.”; and

1           (2) in subsection (c), by striking “(a)(2)” and  
2           inserting “(b)(2)”.

3           (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall be effective with respect to fiscal year  
5 1996 and succeeding fiscal years.

6           **PART III—LOCATE AND CASE TRACKING**

7           **SEC. 521. CENTRAL STATE AND CASE REGISTRY.**

8           Section 454A, as added by section 515(a)(2), is  
9 amended by adding at the end the following new sub-  
10 sections:

11          “(e) CENTRAL CASE REGISTRY.—

12               “(1) IN GENERAL.—The automated system re-  
13 quired under this section shall perform the func-  
14 tions, in accordance with the provisions of this sub-  
15 section, of a single central registry containing  
16 records with respect to each case in which services  
17 are being provided by the State agency (including,  
18 on and after October 1, 1998, each order specified  
19 in section 466(a)(12)), using such standardized data  
20 elements (such as names, social security numbers or  
21 other uniform identification numbers, dates of birth,  
22 and case identification numbers), and containing  
23 such other information (such as information on case  
24 status) as the Secretary may require.

1           “(2) PAYMENT RECORDS.—Each case record in  
2       the central registry shall include a record of—

3           “(A) the amount of monthly (or other peri-  
4       odic) support owed under the support order,  
5       and other amounts due or overdue (including  
6       arrearages, interest or late payment penalties,  
7       and fees);

8           “(B) all child support and related amounts  
9       collected (including such amounts as fees, late  
10      payment penalties, and interest on arrearages);

11          “(C) the distribution of such amounts col-  
12      lected; and

13          “(D) the birth date of the child for whom  
14      the child support order is entered.

15          “(3) UPDATING AND MONITORING.—The State  
16      agency shall promptly establish and maintain, and  
17      regularly monitor, case records in the registry re-  
18      quired by this subsection, on the basis of—

19          “(A) information on administrative actions  
20      and administrative and judicial proceedings and  
21      orders relating to paternity and support;

22          “(B) information obtained from matches  
23      with Federal, State, or local data sources;

24          “(C) information on support collections  
25      and distributions; and

1           “(D) any other relevant information.

2           “(f) DATA MATCHES AND OTHER DISCLOSURES OF  
3 INFORMATION.—The automated system required under  
4 this section shall have the capacity, and be used by the  
5 State agency, to extract data at such times, and in such  
6 standardized format or formats, as may be required by  
7 the Secretary, and to share and match data with, and re-  
8 ceive data from, other data bases and data matching serv-  
9 ices, in order to obtain (or provide) information necessary  
10 to enable the State agency (or Secretary or other State  
11 or Federal agencies) to carry out responsibilities under  
12 this part. Data matching activities of the State agency  
13 shall include at least the following:

14           “(1) DATA BANK OF CHILD SUPPORT OR-  
15 DERS.—Furnishing to the Data Bank of Child Sup-  
16 port Orders established under section 453(h) (and  
17 updating as necessary, with information, including  
18 notice of expiration of orders) minimal information  
19 specified by the Secretary on each child support case  
20 in the central case registry.

21           “(2) FEDERAL PARENT LOCATOR SERVICE.—  
22 Exchanging data with the Federal Parent Locator  
23 Service for the purposes specified in section 453.

24           “(3) TEA AND MEDICAID AGENCIES.—Ex-  
25 changing data with State agencies (of the State and

1 of other States) administering the programs under  
 2 part A and title XIX, as necessary for the perform-  
 3 ance of State agency responsibilities under this part  
 4 and under such programs.

5 “(4) INTRASTATE AND INTERSTATE DATA  
 6 MATCHES.—Exchanging data with other agencies of  
 7 the State, agencies of other States, and interstate  
 8 information networks, as necessary and appropriate  
 9 to carry out (or assist other States to carry out) the  
 10 purposes of this part.”.

11 **SEC. 522. CENTRALIZED COLLECTION AND DISBURSEMENT**  
 12 **OF SUPPORT PAYMENTS.**

13 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
 14 U.S.C. 654), as amended by sections 501(b)(4), 504(a)  
 15 and 514(b), is amended—

16 (1) by striking “and” at the end of paragraph  
 17 (26);

18 (2) by striking the period at the end of para-  
 19 graph (27) and inserting “; and”; and

20 (3) by adding after paragraph (27) the follow-  
 21 ing new paragraph:

22 “(28) provide that the State agency, on and  
 23 after October 1, 1998—

24 “(A) will operate a centralized, automated  
 25 unit for the collection and disbursement of child

1 support under orders being enforced under this  
 2 part, in accordance with section 454B; and

3 “(B) will have sufficient State staff (con-  
 4 sisting of State employees), and, at State op-  
 5 tion, contractors reporting directly to the State  
 6 agency to monitor and enforce support collec-  
 7 tions through such centralized unit, including  
 8 carrying out the automated data processing re-  
 9 sponsibilities specified in section 454A(g) and  
 10 to impose, as appropriate in particular cases,  
 11 the administrative enforcement remedies speci-  
 12 fied in section 466(c)(1).”.

13 (b) ESTABLISHMENT OF CENTRALIZED COLLECTION  
 14 UNIT.—Part D of title IV (42 U.S.C. 651–669) is amend-  
 15 ed by adding after section 454A the following new section:

16 “CENTRALIZED COLLECTION AND DISBURSEMENT OF  
 17 SUPPORT PAYMENTS

18 “SEC. 454B. (a) IN GENERAL.—In order to meet the  
 19 requirement of section 454(28), the State agency must op-  
 20 erate a single, centralized, automated unit for the collec-  
 21 tion and disbursement of support payments, coordinated  
 22 with the automated data system required under section  
 23 454A, in accordance with the provisions of this section,  
 24 which shall be—

25 “(1) operated directly by the State agency (or  
 26 by 2 or more State agencies under a regional cooper-

1       ative agreement), or by a single contractor respon-  
2       sible directly to the State agency; and

3           “(2) used for the collection and disbursement  
4       (including interstate collection and disbursement) of  
5       payments under support orders in all cases being en-  
6       forced by the State pursuant to section 454(4).

7       “(b) REQUIRED PROCEDURES.—The centralized col-  
8       lections unit shall use automated procedures, electronic  
9       processes, and computer-driven technology to the maxi-  
10      mum extent feasible, efficient, and economical, for the col-  
11      lection and disbursement of support payments, including  
12      procedures—

13           “(1) for receipt of payments from parents, em-  
14      ployers, and other States, and for disbursements to  
15      custodial parents and other obligees, the State agen-  
16      cy, and the State agencies of other States;

17           “(2) for accurate identification of payments;

18           “(3) to ensure prompt disbursement of the cus-  
19      todial parent’s share of any payment; and

20           “(4) to furnish to either parent, upon request,  
21      timely information on the current status of support  
22      payments.”.

23      (c) USE OF AUTOMATED SYSTEM.—Section 454A, as  
24      added by section 515(a)(2) and as amended by section



1 521, is amended by adding at the end the following new  
2 subsection:

3 “(g) CENTRALIZED COLLECTION AND DISTRIBUTION  
4 OF SUPPORT PAYMENTS.—The automated system re-  
5 quired under this section shall be used, to the maximum  
6 extent feasible, to assist and facilitate collections and dis-  
7 bursement of support payments through the centralized  
8 collections unit operated pursuant to section 454B,  
9 through the performance of functions including at a mini-  
10 mum—

11 “(1) generation of orders and notices to em-  
12 ployers (and other debtors) for the withholding of  
13 wages (and other income)—

14 “(A) within 10 working days after receipt  
15 from a court, another State, an employer, the  
16 Federal Parent Locator Service, or any other  
17 source recognized by the State of notice of and  
18 the income source subject to such withholding;  
19 and

20 “(B) using uniform formats directed by  
21 the Secretary;

22 “(2) ongoing monitoring to promptly identify  
23 failures to make timely payment; and

1 “(3) automatic use of enforcement mechanisms  
 2 (including mechanisms authorized pursuant to sec-  
 3 tion 466(c)) where payments are not timely made.”.

4 (d) EFFECTIVE DATE.—The amendments made by  
 5 this section shall become effective on October 1, 1998.

6 **SEC. 523. AMENDMENTS CONCERNING INCOME WITHHOLD-**  
 7 **ING.**

8 (a) MANDATORY INCOME WITHHOLDING.—

9 (1) FROM WAGES.—Section 466(a)(1) (42  
 10 U.S.C. 666(a)(1)) is amended to read as follows:

11 “(1)(A) Procedures described in subsection (b)  
 12 for the withholding from income of amounts payable  
 13 as support in cases subject to enforcement under the  
 14 State plan.

15 “(B) Procedures under which all child support  
 16 orders issued (or modified) before October 1, 1996,  
 17 and which are not otherwise subject to withholding  
 18 under subsection (b), shall become subject to with-  
 19 holding from wages as provided in subsection (b) if  
 20 arrearages occur.”.

21 (2) REPEAL OF CERTAIN PROVISIONS CONCERN-  
 22 ING ARREARAGES.—Section 466(a)(8) (42 U.S.C.  
 23 666(a)(8)) is repealed.

24 (3) PROCEDURES DESCRIBED.—Section 466(b)  
 25 (42 U.S.C. 666(b)) is amended—

1 (A) in the matter preceding paragraph (1),  
2 by striking “subsection (a)(1)” and inserting  
3 “subsection (a)(1)(A)”;

4 (B) in paragraph (5), by striking “a public  
5 agency” and all that follows through the period  
6 and inserting “the State through the central-  
7 ized collections unit established pursuant to sec-  
8 tion 454B, in accordance with the requirements  
9 of such section 454B.”;

10 (C) in paragraph (6)(A)(i)—

11 (i) by inserting “, in accordance with  
12 timetables established by the Secretary,”  
13 after “must be required”; and

14 (ii) by striking “to the appropriate  
15 agency” and all that follows through the  
16 period and inserting “to the State central-  
17 ized collections unit within 5 working days  
18 after the date such amount would (but for  
19 this subsection) have been paid or credited  
20 to the employee, for distribution in accord-  
21 ance with this part.”;

22 (D) in paragraph (6)(A)(ii), by inserting  
23 “be in a standard format prescribed by the Sec-  
24 retary, and” after “shall”; and

25 (E) in paragraph (6)(D) to read as follows:

1           “(D) Provision must be made for the imposition  
2       of a fine against any employer who—

3           “(i) discharges from employment, refuses  
4       to employ, or takes disciplinary action against  
5       any absent parent subject to wage withholding  
6       required by this subsection because of the exist-  
7       ence of such withholding and the obligations or  
8       additional obligations which it imposes upon the  
9       employer; or

10          “(ii) fails to withhold support from wages,  
11       or to pay such amounts to the State centralized  
12       collections unit in accordance with this sub-  
13       section.”.

14       (b) CONFORMING AMENDMENT.—Section 466(c) (42  
15   U.S.C. 666(c)) is repealed.

16       (c) DEFINITION OF TERMS.—The Secretary of  
17   Health and Human Services shall promulgate regulations  
18   providing definitions, for purposes of part D of title IV  
19   of the Social Security Act, for the term “income” and for  
20   such other terms relating to income withholding under sec-  
21   tion 466(b) of such Act as the Secretary may find it nec-  
22   essary or advisable to define.

1 **SEC. 524. LOCATOR INFORMATION FROM INTERSTATE NET-**  
2 **WORKS.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by  
4 section 523(a)(2), is amended by inserting after para-  
5 graph (7) the following new paragraph:

6 “(8) Procedures ensuring that the State will  
7 neither provide funding for, nor use for any purpose  
8 (including any purpose unrelated to the purposes of  
9 this part), any automated interstate network or sys-  
10 tem used to locate individuals—

11 “(A) for purposes relating to the use of  
12 motor vehicles; or

13 “(B) providing information for law en-  
14 forcement purposes (where child support en-  
15 forcement agencies are otherwise allowed access  
16 by State and Federal law),

17 unless all Federal and State agencies administering  
18 programs under this part (including the entities es-  
19 tablished under section 453) have access to informa-  
20 tion in such system or network to the same extent  
21 as any other user of such system or network.”.

22 **SEC. 525. EXPANDED FEDERAL PARENT LOCATOR SERVICE.**

23 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-  
24 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is  
25 amended—

1           (1) in subsection (a), by striking “information  
2       as to the whereabouts” and all that follows through  
3       the period and inserting “, for the purpose of estab-  
4       lishing parentage, establishing, setting the amount  
5       of, modifying, or enforcing child support obliga-  
6       tions—

7           “(1) information on, or facilitating the discov-  
8       ery of, the location of any individual—

9           “(A) who is under an obligation to pay  
10       child support;

11          “(B) against whom such an obligation is  
12       sought; or

13          “(C) to whom such an obligation is owed,  
14       including such individual’s social security number  
15       (or numbers), most recent residential address, and  
16       the name, address, and employer identification num-  
17       ber of such individual’s employer; and

18          “(2) information on the individual’s wages (or  
19       other income) from, and benefits of, employment (in-  
20       cluding rights to or enrollment in group health care  
21       coverage); and

22          “(3) information on the type, status, location,  
23       and amount of any assets of, or debts owed by or  
24       to, any such individual.”;

25          (2) in subsection (b)—

1 (A) in the matter preceding paragraph (1),  
2 by striking “social security” and all that follows  
3 through “absent parent” and inserting “infor-  
4 mation specified in subsection (a)”;

5 (B) in paragraph (2), by inserting before  
6 the period “, or from any consumer reporting  
7 agency (as defined in section 603(f) of the Fair  
8 Credit Reporting Act (15 U.S.C. 1681a(f))”;  
9 and

10 (3) in subsection (e)(1), by inserting before the  
11 period “, or by consumer reporting agencies”.

12 (b) REIMBURSEMENT FOR DATA FROM FEDERAL  
13 AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is  
14 amended in the fourth sentence by inserting before the  
15 period “in an amount which the Secretary determines to  
16 be reasonable payment for the data exchange (which  
17 amount shall not include payment for the costs of obtain-  
18 ing, compiling, or maintaining the data)”.

19 (c) ACCESS TO CONSUMER REPORTS UNDER FAIR  
20 CREDIT REPORTING ACT.—

21 (1) IN GENERAL.—Section 608 of the Fair  
22 Credit Reporting Act (15 U.S.C. 1681f) is amend-  
23 ed—

24 (A) by striking “, limited to” and inserting  
25 “to a governmental agency (including the entire

1 consumer report, in the case of a Federal,  
2 State, or local agency administering a program  
3 under part D of title IV of the Social Security  
4 Act, and limited to”; and

5 (B) by striking “employment, to a govern-  
6 mental agency” and inserting “employment, in  
7 the case of any other governmental agency”).

8 (2) REIMBURSEMENT FOR REPORTS BY STATE  
9 AGENCIES AND CREDIT BUREAUS.—Section 453 (42  
10 U.S.C. 653) is amended by adding at the end the  
11 following new subsection:

12 “(g) The Secretary is authorized to reimburse to  
13 State agencies and consumer credit reporting agencies the  
14 costs incurred by such entities in furnishing information  
15 requested by the Secretary pursuant to this section in an  
16 amount which the Secretary determines to be reasonable  
17 payment for the data exchange (which amount shall not  
18 include payment for the costs of obtaining, compiling, or  
19 maintaining the data).”.

20 (d) DISCLOSURE OF TAX RETURN INFORMATION.—

21 (1) BY THE SECRETARY OF THE TREASURY.—  
22 Section 6103(l)(6)(A)(ii) of the Internal Revenue  
23 Code of 1986 (relating to disclosure of return infor-  
24 mation to Federal, State, and local child support en-



1 enforcement agencies) is amended by striking “, but  
2 only if” and all that follows to the period.

3 (2) BY THE SOCIAL SECURITY ADMINISTRA-  
4 TION.—Section 6103(l)(8) of the Internal Revenue  
5 Code of 1986 (relating to disclosure of certain re-  
6 turn information by Social Security Administration  
7 to State and local child support enforcement agen-  
8 cies) is amended—

9 (A) in subparagraph (A), by striking  
10 “State or local” and inserting “Federal, State,  
11 or local”; and

12 (B) in subparagraph (C), by inserting “(in-  
13 cluding any entity under contract with such  
14 agency)” after “thereof”.

15 (e) TECHNICAL AMENDMENTS.—

16 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),  
17 and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b),  
18 663(a), and 663(e)) are each amended by inserting  
19 “Federal” before “Parent” each place it appears.

20 (2) Section 453 (42 U.S.C. 653) is amended in  
21 the heading by inserting “FEDERAL” before “PAR-  
22 ENT”.

23 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.  
24 653), as amended by subsection (c)(2), is amended by add-  
25 ing at the end the following new subsections:

1 “(h) DATA BANK OF CHILD SUPPORT ORDERS.—

2 “(1) IN GENERAL.—Not later than October 1,  
3 1998, in order to assist States in administering their  
4 State plans under this part and parts A and F, and  
5 for the other purposes specified in this section, the  
6 Secretary shall establish and maintain in the Fed-  
7 eral Parent Locator Service an automated registry  
8 to be known as the Data Bank of Child Support Or-  
9 ders, which shall contain abstracts of child support  
10 orders and other information described in paragraph  
11 (2) on each case in each State central case registry  
12 maintained pursuant to section 454A(e), as fur-  
13 nished (and regularly updated), pursuant to section  
14 454A(f), by State agencies administering programs  
15 under this part.

16 “(2) CASE INFORMATION.—The information re-  
17 ferred to in paragraph (1), as specified by the Sec-  
18 retary, shall include sufficient information (including  
19 names, social security numbers or other uniform  
20 identification numbers, and State case identification  
21 numbers) to identify the individuals who owe or are  
22 owed support (or with respect to or on behalf of  
23 whom support obligations are sought to be estab-  
24 lished), and the State or States which have estab-

1       lished or modified, or are enforcing or seeking to es-  
2       tablish, such an order.

3       “(i) NATIONAL DIRECTORY OF NEW HIRES.—

4               “(1) IN GENERAL.—Not later than October 1,  
5       1998, in order to assist States in administering their  
6       State plans under this part and parts A and F, and  
7       for the other purposes specified in this section, the  
8       Secretary shall establish and maintain in the Fed-  
9       eral Parent Locator Service an automated directory  
10      to be known as the National Directory of New  
11      Hires, which shall contain the information supplied  
12      pursuant to section 453A(g)(2).

13      “(2) ENTRY OF DATA.—Information shall be entered  
14      into the data base maintained by the National Directory  
15      of New Hires within 2 business days of receipt pursuant  
16      to section 453A(g)(2).

17      “(j) DATA MATCHES AND OTHER DISCLOSURES.—

18               “(1) VERIFICATION BY SOCIAL SECURITY AD-  
19      MINISTRATION.—

20               “(A) TRANSMISSION OF DATA.—The Sec-  
21      retary shall transmit data on individuals and  
22      employers in the registries maintained under  
23      this section to the Social Security Administra-  
24      tion to the extent necessary for verification in  
25      accordance with subparagraph (B).

1           “(B) VERIFICATION.—The Commissioner of So-  
2           cial Security shall verify the accuracy of, correct or  
3           supply to the extent necessary and feasible, and re-  
4           port to the Secretary, the following information in  
5           data supplied by the Secretary pursuant to subpara-  
6           graph (A):

7                   “(i) the name, social security number, and  
8                   birth date of each individual; and

9                   “(ii) the employer identification number of  
10                  each employer.

11           “(2) CHILD SUPPORT LOCATOR MATCHES.—For  
12           the purpose of locating individuals for purposes of  
13           paternity establishment and establishment and en-  
14           forcement of child support, the Secretary shall—

15                   “(A) match data in the National Directory  
16                   of New Hires against the child support order  
17                   abstracts in the Data Bank of Child Support  
18                   Orders not less than every 5 working days; and

19                   “(B) report information obtained from a  
20                   match established under subparagraph (A) to  
21                   concerned State agencies operating programs  
22                   under this part not later than 2 working days  
23                   after such match.

24           “(3) DATA MATCHES AND DISCLOSURES OF  
25           DATA IN ALL REGISTRIES.—

1           “(A) FOR TITLE IV PROGRAM PURPOSES.—

2           The Secretary shall—

3                   “(i) perform matches of data in each  
4                   component of the Federal Parent Locator  
5                   Service maintained under this section  
6                   against data in each other such component  
7                   (other than the matches required pursuant  
8                   to paragraph (1)), and report information  
9                   resulting from such matches to State agen-  
10                  cies operating programs under this part  
11                  and parts A and F; and

12                   “(ii) disclose data in such registries to  
13                   such State agencies,  
14                  to the extent, and with the frequency, that the  
15                  Secretary determines to be effective in assisting  
16                  such States to carry out their responsibilities  
17                  under such programs.

18           “(B) TO SOCIAL SECURITY ADMINISTRA-  
19           TION.—The Secretary shall disclose data in the  
20           registries maintained under this section to the  
21           Social Security Administration—

22                   “(i) for the purpose of determining  
23                   the accuracy of payments under the sup-  
24                   plemental security income program under  
25                   title XVI; or

1 “(ii) for use in connection with bene-  
2 fits under title II.

3 “(4) OTHER DISCLOSURES OF NEW HIRE  
4 DATA.—The Secretary shall disclose data in the Na-  
5 tional Directory of New Hires—

6 “(A) to the Secretary of the Treasury for  
7 purposes directly connected with—

8 “(i) the administration of the earned  
9 income tax credit under section 32 of the  
10 Internal Revenue Code of 1986, or the ad-  
11 vance payment of such credit under section  
12 3507 of such Code; or

13 “(ii) verification of a claim with re-  
14 spect to employment in an individual tax  
15 return; and

16 “(B) to State agencies operating employ-  
17 ment security and workers compensation pro-  
18 grams, for the purpose of assisting such agen-  
19 cies to determine the allowability of claims for  
20 benefits under such programs.

21 “(k) FEES.—

22 “(1) FOR SSA VERIFICATION.—The Secretary  
23 shall reimburse the Commissioner of Social Security,  
24 at a rate negotiated between the Secretary and the  
25 Commissioner, the costs incurred by the Commis-

1 sioner in performing the verification services speci-  
2 fied in subsection (j).

3 “(2) FOR INFORMATION FURNISHED TO STATE  
4 AND FEDERAL AGENCIES.—State and Federal agen-  
5 cies receiving data or information from the Secretary  
6 pursuant to this section shall reimburse the costs in-  
7 curred by the Secretary in furnishing such data or  
8 information, at rates which the Secretary determines  
9 to be reasonable (which rates shall include payment  
10 for the costs of obtaining, verifying, maintaining,  
11 and matching such data or information).

12 “(l) RESTRICTION ON DISCLOSURE AND USE.—Data  
13 in the Federal Parent Locator Service, and information  
14 resulting from matches using such data, shall not be used  
15 or disclosed except as specifically provided in this section.

16 “(m) RETENTION OF DATA.—Data in the Federal  
17 Parent Locator Service, and data resulting from matches  
18 performed pursuant to this section, shall be retained for  
19 such period (determined by the Secretary) as appropriate  
20 for the data uses specified in this section.

21 “(n) INFORMATION INTEGRITY AND SECURITY.—The  
22 Secretary shall establish and implement safeguards with  
23 respect to the entities established under this section de-  
24 signed to—

1           “(1) ensure the accuracy and completeness of  
2           information in the Federal Parent Locator Service;  
3           and

4           “(2) restrict access to confidential information  
5           in the Federal Parent Locator Service to authorized  
6           persons, and restrict use of such information to au-  
7           thorized purposes.

8           “(o) LIMIT ON LIABILITY.—The Secretary shall not  
9           be liable to either a State or an individual for inaccurate  
10          information provided to a component of the Federal Par-  
11          ent Locator Service and disclosed by the Secretary in ac-  
12          cordance with this section.”.

13          (g) CONFORMING AMENDMENTS.—

14               (1) TO PART D OF TITLE IV OF THE SOCIAL SE-  
15          curity ACT.—Section 454(8)(B) (42 U.S.C.  
16          654(8)(B)) is amended to read as follows:

17                       “(B) the Federal Parent Locator Service  
18                       established under section 453;”.

19               (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—  
20          Section 3304(16) of the Internal Revenue Code of  
21          1986 (relating to approval of State laws) is amend-  
22          ed—

23                       (A) by striking “Secretary of Health, Edu-  
24                       cation, and Welfare” each place it appears and



1 inserting “Secretary of Health and Human  
2 Services”;

3 (B) in subparagraph (B), by striking  
4 “such information” and all that follows through  
5 the semicolon and inserting “information fur-  
6 nished under subparagraph (A) or (B) is used  
7 only for the purposes authorized under such  
8 subparagraph;”;

9 (C) by striking “and” at the end of sub-  
10 paragraph (A);

11 (D) by redesignating subparagraph (B) as  
12 subparagraph (C); and

13 (E) by inserting after subparagraph (A)  
14 the following new subparagraph:

15 “(B) wage and unemployment compensa-  
16 tion information contained in the records of  
17 such agency shall be furnished to the Secretary  
18 of Health and Human Services (in accordance  
19 with regulations promulgated by such Sec-  
20 retary) as necessary for the purposes of the Na-  
21 tional Directory of New Hires established under  
22 section 453(i) of the Social Security Act, and”.

23 (3) TO STATE GRANT PROGRAM UNDER TITLE  
24 III OF THE SOCIAL SECURITY ACT.—Section 303(a)  
25 (42 U.S.C. 503(a)) is amended—

1 (A) by striking “and” at the end of para-  
2 graph (8);

3 (B) by striking the period at the end of  
4 paragraph (9) and inserting “; and”; and

5 (C) by adding after paragraph (9) the fol-  
6 lowing new paragraph:

7 “(10) The making of quarterly electronic re-  
8 ports, at such dates, in such format, and containing  
9 such information, as required by the Secretary under  
10 section 453(i)(3), and compliance with such provi-  
11 sions as such Secretary may find necessary to en-  
12 sure the correctness and verification of such re-  
13 ports.”.

14 **SEC. 526. STATE DIRECTORY OF NEW HIRES.**

15 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
16 U.S.C. 654), as amended by sections 501(b)(4), 504(a),  
17 514(b), and 522(a) of this Act, is amended—

18 (1) by striking “and” at the end of paragraph  
19 (27);

20 (2) by striking the period at the end of para-  
21 graph (28) and inserting “; and”; and

22 (3) by adding after paragraph (28) the follow-  
23 ing new paragraph:

1           “(29) provide that, on and after October 1,  
2           1997, the State will operate a State Directory of  
3           New Hires in accordance with section 453A.”.

4           (b) STATE DIRECTORY OF NEW HIRES.—Part D of  
5           title IV (42 U.S.C. 651–669) is amended by inserting  
6           after section 453 the following new section:

7           **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

8           **“(a) ESTABLISHMENT.—**

9                   “(1) IN GENERAL.—Not later than October 1,  
10           1997, each State shall establish an automated direc-  
11           tory (to be known as the ‘State Directory of New  
12           Hires’) which shall contain information supplied in  
13           accordance with subsection (b) by employers on each  
14           newly hired employee.

15           “(2) DEFINITIONS.—As used in this section:

16                   “(A) EMPLOYEE.—The term ‘employee’—

17                           “(i) means an individual who is an  
18                           employee within the meaning of chapter 24  
19                           of the Internal Revenue Code of 1986; and

20                           “(ii) does not include an employee of  
21                           a Federal or State agency performing in-  
22                           telligence or counterintelligence functions,  
23                           if the head of such agency has determined  
24                           that reporting pursuant to paragraph (1)  
25                           with respect to the employee could endan-

1           ger the safety of the employee or com-  
2           promise an ongoing investigation or intel-  
3           ligence mission.

4           “(B) EMPLOYER.—The term ‘employer’ in-  
5           cludes—

6                   “(i) any governmental entity, and

7                   “(ii) any labor organization.

8           “(C) LABOR ORGANIZATION.—The term  
9           ‘labor organization’ shall have the meaning  
10          given such term in section 2(5) of the National  
11          Labor Relations Act, and includes any entity  
12          (also known as a ‘hiring hall’) which is used by  
13          the organization and an employer to carry out  
14          requirements described in section 8(f)(3) of  
15          such Act of an agreement between the organiza-  
16          tion and the employer.

17          “(b) EMPLOYER INFORMATION.—

18               “(1) REPORTING REQUIREMENT.—Each em-  
19          ployer shall furnish to the Directory of New Hires  
20          of the State in which a newly hired employee works,  
21          a report that contains the name, address, and social  
22          security number of the employee, and the name of,  
23          and identifying number assigned under section 6109  
24          of the Internal Revenue Code of 1986 to, the em-  
25          ployer.

1           “(2) TIMING OF REPORT.—The report required  
2           by paragraph (1) with respect to an employee shall  
3           be made not later than the later of—

4                   “(A) 15 days after the date the employer  
5           hires the employee; or

6                   “(B) in the case of an employer that re-  
7           ports by magnetic or electronic means, the 1st  
8           business day of the week following the date on  
9           which the employee 1st receives wages or other  
10          compensation from the employer.

11          “(c) REPORTING FORMAT AND METHOD.—Each re-  
12       port required by subsection (b) shall be made on a W-  
13       4 form or the equivalent, and may be transmitted by 1st  
14       class mail, magnetically, or electronically.

15          “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING  
16       EMPLOYERS.—

17               “(1) IN GENERAL.—An employer that fails to  
18       comply with subsection (b) with respect to an em-  
19       ployee shall be subject to a civil money penalty of  
20       \$250.

21               “(2) APPLICABILITY OF SECTION 1128.—Section  
22       1128 (other than subsections (a) and (b) of such  
23       section) shall apply to a civil money penalty under  
24       paragraph (1) of this subsection in the same manner

1 as such section applies to a civil money penalty or  
2 proceeding under section 1128A(a).

3 “(e) ENTRY OF EMPLOYER INFORMATION.—Infor-  
4 mation shall be entered into the data base maintained by  
5 the State Directory of New Hires within 5 business days  
6 of receipt from an employer pursuant to subsection (b).

7 “(f) INFORMATION COMPARISONS.—

8 “(1) IN GENERAL.—Not later than October 1,  
9 1998, an agency designated by the State shall, di-  
10 rectly or by contract, conduct automated compari-  
11 sons of the social security numbers reported by em-  
12 ployers pursuant to subsection (b) and the social se-  
13 curity numbers appearing in the records of the State  
14 case registry for cases being enforced under the  
15 State plan.

16 “(2) NOTICE OF MATCH.—When an information  
17 comparison conducted under paragraph (1) reveals a  
18 match with respect to the social security number of  
19 an individual required to provide support under a  
20 support order, the State Directory of New Hires  
21 shall provide the agency administering the State  
22 plan approved under this part of the appropriate  
23 State with the name, address, and social security  
24 number of the employee to whom the social security  
25 number is assigned, and the name of, and identify-

1       ing number assigned under section 6109 of the In-  
2       ternal Revenue Code of 1986 to, the employer.

3       “(g) TRANSMISSION OF INFORMATION.—

4               “(1) TRANSMISSION OF WAGE WITHHOLDING  
5       NOTICES TO EMPLOYERS.—Within 5 business days  
6       after the date information regarding a newly hired  
7       employee is entered into the State Directory of New  
8       Hires, the State agency enforcing the employee’s  
9       child support obligation shall transmit a notice to  
10      the employer of the employee directing the employer  
11      to withhold from the wages of the employee an  
12      amount equal to the monthly (or other periodic)  
13      child support obligation of the employee, unless the  
14      employee’s wages are not subject to withholding pur-  
15      suant to section 466(b)(3).

16              “(2) TRANSMISSIONS TO THE NATIONAL DIREC-  
17      TORY OF NEW HIRES.—

18                      “(A) NEW HIRE INFORMATION.—Within 5  
19              business days after the date information re-  
20              garding a newly hired employee is entered into  
21              the State Directory of New Hires, the State Di-  
22              rectory of New Hires shall furnish the informa-  
23              tion to the National Directory of New Hires.

24                      “(B) WAGE AND UNEMPLOYMENT COM-  
25              PENSATION INFORMATION.—The State Direc-

1 tory of New Hires shall, on a quarterly basis,  
2 furnish to the National Directory of New Hires  
3 extracts of the reports required under section  
4 303(a)(6) to be made to the Secretary of Labor  
5 concerning the wages and unemployment com-  
6 pensation paid to individuals, by such dates, in  
7 such format, and containing such information  
8 as the Secretary of Health and Human Services  
9 shall specify in regulations.

10 “(3) BUSINESS DAY DEFINED.—As used in this  
11 subsection, the term ‘business day’ means a day on  
12 which State offices are open for regular business.

13 “(h) OTHER USES OF NEW HIRE INFORMATION.—

14 “(1) LOCATION OF CHILD SUPPORT OBLI-  
15 GORS.—The agency administering the State plan ap-  
16 proved under this part shall use information received  
17 pursuant to subsection (f)(2) to locate individuals  
18 for purposes of establishing paternity and establish-  
19 ing, modifying, and enforcing child support obliga-  
20 tions.

21 “(2) VERIFICATION OF ELIGIBILITY FOR CER-  
22 TAIN PROGRAMS.—A State agency responsible for  
23 administering a program specified in section 1137(b)  
24 shall have access to information reported by employ-



1       ers pursuant to subsection (b) of this section for  
2       purposes of verifying eligibility for the program.

3           “(3) ADMINISTRATION OF EMPLOYMENT SECUR-  
4       RITY AND WORKERS’ COMPENSATION.—State agen-  
5       cies operating employment security and workers’  
6       compensation programs shall have access to informa-  
7       tion reported by employers pursuant to subsection  
8       (b) for the purposes of administering such pro-  
9       grams.”.

10   **SEC. 527. USE OF SOCIAL SECURITY NUMBERS.**

11       (a) STATE LAW REQUIREMENT.—Section 466(a) (42  
12   U.S.C. 666(a)), as amended by section 501(a), is amended  
13   by adding at the end the following new paragraph:

14           “(13) Procedures requiring the recording of so-  
15       cial security numbers—

16               “(A) of both parties on marriage licenses  
17               and divorce decrees;

18               “(B) of both parents, on birth records and  
19               child support and paternity orders; and

20               “(C) on all applications for motor vehicle  
21               licenses and professional licenses.”.

22       (b) CLARIFICATION OF FEDERAL POLICY.—Section  
23   205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended  
24   by striking the third sentence and inserting “This clause

1 shall not be considered to authorize disclosure of such  
2 numbers except as provided in the preceding sentence.”.

3 **PART IV—STREAMLINING AND UNIFORMITY OF**  
4 **PROCEDURES**

5 **SEC. 531. ADOPTION OF UNIFORM STATE LAWS.**

6 Section 466(a) (42 U.S.C. 666(a)), as amended by  
7 sections 501(a) and 527(a), is amended by adding at the  
8 end the following new paragraph:

9 “(14)(A) Procedures under which the State  
10 adopts in its entirety (with the modifications and ad-  
11 ditions specified in this paragraph) not later than  
12 January 1, 1997, and uses on and after such date,  
13 the Uniform Interstate Family Support Act, as ap-  
14 proved by the National Conference of Commissioners  
15 on Uniform State Laws in August 1992.

16 “(B) The State law adopted pursuant to sub-  
17 paragraph (A) shall be applied to any case—

18 “(i) involving an order established or modi-  
19 fied in one State and for which a subsequent  
20 modification is sought in another State; or

21 “(ii) in which interstate activity is required  
22 to enforce an order.

23 “(C) The State law adopted pursuant to sub-  
24 paragraph (A) of this paragraph may, in lieu of sec-  
25 tion 501 of the Uniform Interstate Family Support

1 Act described in such subparagraph (A), contain a  
2 provision which allows the State to collect and dis-  
3 burse income withholding for multiple income with-  
4 holding orders and interstate withholding orders in  
5 the centralized collections unit described in section  
6 454B.

7 “(D) The State law adopted pursuant to sub-  
8 paragraph (A) of this paragraph shall contain the  
9 following provision in lieu of section 611(a)(1) of the  
10 Uniform Interstate Family Support Act described in  
11 such subparagraph (A):

12 ““(1) the following requirements are met:

13 ““(i) the child, the individual obligee, and  
14 the obligor—

15 ““(I) do not reside in the issuing  
16 State; and

17 ““(II) either reside in this State or  
18 are subject to the jurisdiction of this State  
19 pursuant to section 201; and

20 ““(ii) in any case where another State is  
21 exercising or seeks to exercise jurisdiction to  
22 modify the order, the conditions of section 204  
23 are met to the same extent as required for pro-  
24 ceedings to establish orders; or’.

1           “(E) The State law adopted pursuant to sub-  
2       paragraph (A) shall recognize as valid, for purposes  
3       of any proceeding subject to such State law, service  
4       of process upon persons in the State (and proof of  
5       such service) by any means acceptable in another  
6       State which is the initiating or responding State in  
7       such proceeding.”.

8   **SEC. 532. IMPROVEMENTS TO FULL FAITH AND CREDIT**  
9                           **FOR CHILD SUPPORT ORDERS.**

10       Section 1738B of title 28, United States Code, is  
11   amended—

12           (1) in subsection (a)(2), by striking “subsection  
13       (e)” and inserting “subsections (e), (f), and (i)”;

14           (2) in subsection (b), by inserting after the first  
15       undesignated paragraph the following:

16           “‘child’s home State’ means the State in which  
17       a child lived with a parent or a person acting as par-  
18       ent for at least 6 consecutive months immediately  
19       preceding the time of filing of a petition or com-  
20       parable pleading for support and, if a child is less  
21       than 6 months old, the State in which the child lived  
22       from birth with any of them. A period of temporary  
23       absence of any of them is counted as part of the 6-  
24       month period.”;

1           (3) in subsection (c), by inserting “by a court  
2 of a State” before “is made”;

3           (4) in subsection (c)(1), by inserting “and sub-  
4 sections (e), (f), and (g)” after “located”;

5           (5) in subsection (d)—

6                (A) by inserting “individual” before “con-  
7 testant”; and

8                (B) by striking “subsection (e)” and in-  
9 serting “subsections (e) and (f)”;

10          (6) in subsection (e), by striking “make a modi-  
11 fication of a child support order with respect to a  
12 child that is made” and inserting “modify a child  
13 support order issued”;

14          (7) in subsection (e)(1), by inserting “pursuant  
15 to subsection (i)” before the semicolon;

16          (8) in subsection (e)(2)—

17                (A) by inserting “individual” before “con-  
18 testant” each place such term appears; and

19                (B) by striking “to that court’s making the  
20 modification and assuming” and inserting “with  
21 the State of continuing, exclusive jurisdiction  
22 for a court of another State to modify the order  
23 and assume”;

24          (9) by redesignating subsections (f) and (g) as  
25 subsections (g) and (h), respectively;

1           (10) by inserting after subsection (e) the follow-  
2       ing new subsection:

3       “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—  
4       If 1 or more child support orders have been issued in this  
5       or another State with regard to an obligor and a child,  
6       a court shall apply the following rules in determining  
7       which order to recognize for purposes of continuing, exclu-  
8       sive jurisdiction and enforcement:

9           “(1) If only 1 court has issued a child support  
10       order, the order of that court must be recognized.

11          “(2) If 2 or more courts have issued child sup-  
12       port orders for the same obligor and child, and only  
13       1 of the courts would have continuing, exclusive ju-  
14       risdiction under this section, the order of that court  
15       must be recognized.

16          “(3) If 2 or more courts have issued child sup-  
17       port orders for the same obligor and child, and only  
18       1 of the courts would have continuing, exclusive ju-  
19       risdiction under this section, an order issued by a  
20       court in the current home State of the child must  
21       be recognized, but if an order has not been issued  
22       in the current home State of the child, the order  
23       most recently issued must be recognized.

24          “(4) If 2 or more courts have issued child sup-  
25       port orders for the same obligor and child, and none

of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

“(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.”;

(11) in subsection (g) (as so redesignated)—

(A) by striking “PRIOR” and inserting “MODIFIED”; and

(B) by striking “subsection (e)” and inserting “subsections (e) and (f)”; and

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting “including the duration of current payments and other obligations of support” before the comma; and

(B) in paragraph (3), by inserting “arrear under” after “enforce”.

**SEC. 533. STATE LAWS PROVIDING EXPEDITED PROCEDURES.**

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 523(b), is amended—

(1) in subsection (a)(2), in the first sentence, to read as follows: “Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for es-

1       tablishing, modifying, and enforcing support obliga-  
2       tions.”; and

3               (2) by adding after subsection (b) the following  
4       new subsection:

5       “(c) The procedures specified in this subsection are  
6       the following:

7               “(1) Procedures which give the State agency  
8       the authority (and recognize and enforce the author-  
9       ity of State agencies of other States), without the  
10      necessity of obtaining an order from any other judi-  
11      cial or administrative tribunal (but subject to due  
12      process safeguards, including (as appropriate) re-  
13      quirements for notice, opportunity to contest the ac-  
14      tion, and opportunity for an appeal on the record to  
15      an independent administrative or judicial tribunal),  
16      to take the following actions relating to establish-  
17      ment or enforcement of orders:

18               “(A) To order genetic testing for the pur-  
19      pose of paternity establishment as provided in  
20      section 466(a)(5).

21               “(B) To enter a default order, upon a  
22      showing of service of process and any additional  
23      showing required by State law—



1           “(i) establishing paternity, in the case  
2           of any putative father who refuses to sub-  
3           mit to genetic testing; and

4           “(ii) establishing or modifying a sup-  
5           port obligation, in the case of a parent (or  
6           other obligor or obligee) who fails to re-  
7           spond to notice to appear at a proceeding  
8           for such purpose.

9           “(C) To subpoena any financial or other  
10          information needed to establish, modify, or en-  
11          force an order, and to sanction failure to re-  
12          spond to any such subpoena.

13          “(D) To require all entities in the State  
14          (including for-profit, nonprofit, and govern-  
15          mental employers) to provide promptly, in re-  
16          sponse to a request by the State agency of that  
17          or any other State administering a program  
18          under this part, information on the employ-  
19          ment, compensation, and benefits of any indi-  
20          vidual employed by such entity as an employee  
21          or contractor, and to sanction failure to respond  
22          to any such request.

23          “(E) To obtain access, subject to safe-  
24          guards on privacy and information security, to  
25          the following records (including automated ac-

1           cess, in the case of records maintained in auto-  
2           mated data bases):

3                   “(i) Records of other State and local  
4                   government agencies, including—

5                           “(I) vital statistics (including  
6                           records of marriage, birth, and di-  
7                           vorce);

8                           “(II) State and local tax and rev-  
9                           enue records (including information  
10                          on residence address, employer, in-  
11                          come and assets);

12                          “(III) records concerning real  
13                          and titled personal property;

14                          “(IV) records of occupational and  
15                          professional licenses, and records con-  
16                          cerning the ownership and control of  
17                          corporations, partnerships, and other  
18                          business entities;

19                          “(V) employment security  
20                          records;

21                          “(VI) records of agencies admin-  
22                          istering public assistance programs;

23                          “(VII) records of the motor vehi-  
24                          cle department; and

25                          “(VIII) corrections records.

1           “(ii) Certain records held by private  
2           entities, including—

3                   “(I) customer records of public  
4                   utilities and cable television compa-  
5                   nies; and

6                   “(II) information (including in-  
7                   formation on assets and liabilities) on  
8                   individuals who owe or are owed sup-  
9                   port (or against or with respect to  
10                  whom a support obligation is sought)  
11                  held by financial institutions (subject  
12                  to limitations on liability of such enti-  
13                  ties arising from affording such ac-  
14                  cess).

15           “(F) To order income withholding in ac-  
16           cordance with subsection (a)(1) and (b) of sec-  
17           tion 466.

18           “(G) In cases where support is subject to  
19           an assignment under section 402(c),  
20           471(a)(17), or 1912, or to a requirement to pay  
21           through the centralized collections unit under  
22           section 454B) upon providing notice to obligor  
23           and obligee, to direct the obligor or other payor  
24           to change the payee to the appropriate govern-  
25           ment entity.

1           “(H) For the purpose of securing overdue  
2 support—

3           “(i) to intercept and seize any peri-  
4 odic or lump-sum payment to the obligor  
5 by or through a State or local government  
6 agency, including—

7           “(I) unemployment compensa-  
8 tion, workers’ compensation, and  
9 other benefits;

10           “(II) judgments and settlements  
11 in cases under the jurisdiction of the  
12 State or local government; and

13           “(III) lottery winnings;

14           “(ii) to attach and seize assets of the  
15 obligor held by financial institutions;

16           “(iii) to attach public and private re-  
17 tirement funds in appropriate cases, as de-  
18 termined by the Secretary; and

19           “(iv) to impose liens in accordance  
20 with paragraph (a)(4) and, in appropriate  
21 cases, to force sale of property and dis-  
22 tribution of proceeds.

23           “(I) For the purpose of securing overdue  
24 support, to increase the amount of monthly  
25 support payments to include amounts for ar-

1 rearages (subject to such conditions or restric-  
2 tions as the State may provide).

3 “(J) To suspend drivers’ licenses of indi-  
4 viduals owing past-due support, in accordance  
5 with subsection (a)(16).

6 “(2) The expedited procedures required under  
7 subsection (a)(2) shall include the following rules  
8 and authority, applicable with respect to all proceed-  
9 ings to establish paternity or to establish, modify, or  
10 enforce support orders:

11 “(A) Procedures under which—

12 “(i) the parties to any paternity or  
13 child support proceedings are required  
14 (subject to privacy safeguards) to file with  
15 the tribunal before entry of an order, and  
16 to update as appropriate, information on  
17 location and identity (including social secu-  
18 rity number, residential and mailing ad-  
19 dresses, telephone number, driver’s license  
20 number, and name, address, and telephone  
21 number of employer); and

22 “(ii) in any subsequent child support  
23 enforcement action between the same par-  
24 ties, the tribunal shall be authorized, upon  
25 sufficient showing that diligent effort has

1           been made to ascertain such party's cur-  
2           rent location, to deem due process require-  
3           ments for notice and service of process to  
4           be met, with respect to such party, by de-  
5           livery to the most recent residential or em-  
6           ployer address so filed pursuant to clause  
7           (i).

8           “(B) Procedures under which—

9                 “(i) the State agency and any admin-  
10            istrative or judicial tribunal with authority  
11            to hear child support and paternity cases  
12            exerts statewide jurisdiction over the par-  
13            ties, and orders issued in such cases have  
14            statewide effect; and

15                 “(ii) in the case of a State in which  
16            orders in such cases are issued by local ju-  
17            risdictions, a case may be transferred be-  
18            tween jurisdictions in the State without  
19            need for any additional filing by the peti-  
20            tioner, or service of process upon the re-  
21            spondent, to retain jurisdiction over the  
22            parties.”.

23           (b) EXCEPTIONS FROM STATE LAW REQUIRE-  
24   MENTS.—Section 466(d) (42 U.S.C. 666(d)) is amend-  
25   ed—

1           (1) by striking “(d) If” and inserting “(d)(1)  
2     Subject to paragraph (2), if”; and

3           (2) by adding at the end the following new  
4     paragraph:

5     “(2) The Secretary shall not grant an exemption  
6     from the requirements of—

7           “(A) subsection (a)(5) (concerning procedures  
8     for paternity establishment);

9           “(B) subsection (a)(10) (concerning modifica-  
10    tion of orders);

11          “(C) subsection (a)(12) (concerning recording  
12    of orders in the central State case registry);

13          “(D) subsection (a)(13) (concerning recording  
14    of social security numbers);

15          “(E) subsection (a)(14) (concerning interstate  
16    enforcement); or

17          “(F) subsection (c) (concerning expedited pro-  
18    cedures), other than paragraph (1)(A) thereof (con-  
19    cerning establishment or modification of support  
20    amount).”.

21     (c) AUTOMATION OF STATE AGENCY FUNCTIONS.—  
22     Section 454A, as added by section 515(a)(2) and as  
23     amended by sections 521 and 522(c), is amended by add-  
24     ing at the end the following new subsection:

1       “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—  
 2 The automated system required under this section shall  
 3 be used, to the maximum extent feasible, to implement any  
 4 expedited administrative procedures required under sec-  
 5 tion 466(c).”.

6           **PART V—PATERNITY ESTABLISHMENT**

7   **SEC. 541. STATE LAWS CONCERNING PATERNITY ESTAB-**  
 8           **LISHMENT.**

9       (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42  
 10 U.S.C. 666(a)(5)) is amended—

11           (1) in subparagraph (B)—

12               (A) by striking “(B)” and inserting  
 13               “(B)(i)”;

14               (B) in clause (i), as redesignated, by in-  
 15               serting before the period “, where such request  
 16               is supported by a sworn statement—

17               “(I) by such party alleging paternity setting  
 18               forth facts establishing a reasonable possibility of  
 19               the requisite sexual contact of the parties; or

20               “(II) by such party denying paternity setting  
 21               forth facts establishing a reasonable possibility of  
 22               the nonexistence of sexual contact of the parties;”;  
 23               and

24               (C) by inserting after clause (i) (as redes-  
 25               ignated) the following new clause:



1           “(ii) Procedures which require the State agen-  
2           cy, in any case in which such agency orders genetic  
3           testing—

4                   “(I) to pay the costs of such tests, subject  
5                   to recoupment (where the State so elects) from  
6                   the putative father if paternity is established;  
7                   and

8                   “(II) to obtain additional testing in any  
9                   case where an original test result is disputed,  
10                  upon request and advance payment by the dis-  
11                  puting party.”;

12                  (2) by striking subparagraphs (C), (D), (E),  
13                  and (F) and inserting the following:

14                  “(C)(i) Procedures for a simple civil process for  
15                  voluntarily acknowledging paternity under which the  
16                  State must provide that, before a mother and a pu-  
17                  tative father can sign an acknowledgment of pater-  
18                  nity, the putative father and the mother must be  
19                  given notice, orally, in writing, and in a language  
20                  that each can understand, of the alternatives to, the  
21                  legal consequences of, and the rights (including, if 1  
22                  parent is a minor, any rights afforded due to minor-  
23                  ity status) and responsibilities that arise from, sign-  
24                  ing the acknowledgment.

1           “(ii) Such procedures must include a hospital-  
2           based program for the voluntary acknowledgment of  
3           paternity focusing on the period immediately before  
4           or after the birth of a child.

5           “(iii) Such procedures must require the State  
6           agency responsible for maintaining birth records to  
7           offer voluntary paternity establishment services.

8           “(iv) The Secretary shall prescribe regulations  
9           governing voluntary paternity establishment services  
10          offered by hospitals and birth record agencies. The  
11          Secretary shall prescribe regulations specifying the  
12          types of other entities that may offer voluntary pa-  
13          ternity establishment services, and governing the  
14          provision of such services, which shall include a re-  
15          quirement that such an entity must use the same  
16          notice provisions used by, the same materials used  
17          by, provide the personnel providing such services  
18          with the same training provided by, and evaluate the  
19          provision of such services in the same manner as,  
20          voluntary paternity establishment programs of hos-  
21          pitals and birth record agencies.

22          “(D)(i) Procedures under which a signed ac-  
23          knowledgment of paternity is considered a legal find-  
24          ing of paternity.

1           “(ii)(I) Procedures under which a signed ac-  
2           knowledge of paternity may be challenged in  
3           court only on the basis of fraud, duress, or material  
4           mistake of fact, with the burden of proof upon the  
5           challenger, and under which the legal responsibilities  
6           (including child support obligations) of any signatory  
7           arising from the acknowledgment may not be sus-  
8           pended during the challenge, except for good cause  
9           shown.

10          “(II) Procedures under which a minor who  
11          signs an acknowledgment of paternity other than in  
12          the presence of a parent or court-appointed guardian  
13          ad litem may rescind the acknowledgment in a judi-  
14          cial or administrative proceeding, until the earlier  
15          of—

16               “(aa) attaining the age of majority; or

17               “(bb) the date of the first judicial or ad-  
18               ministrative proceeding brought (after the sign-  
19               ing) to establish a child support obligation, visi-  
20               tation rights, or custody rights with respect to  
21               the child whose paternity is the subject of the  
22               acknowledgment, and at which the minor is rep-  
23               resented by a parent, guardian ad litem, or at-  
24               torney.

1           “(E) Procedures under which no judicial or ad-  
2           ministrative proceedings are required or permitted to  
3           ratify an unchallenged acknowledgment of paternity.

4           “(F) Procedures requiring—

5                 “(i) that the State admit into evidence, for  
6                 purposes of establishing paternity, results of  
7                 any genetic test that is—

8                         “(I) of a type generally acknowledged,  
9                         by accreditation bodies designated by the  
10                        Secretary, as reliable evidence of paternity;  
11                        and

12                       “(II) performed by a laboratory ap-  
13                       proved by such an accreditation body;

14                 “(ii) that any objection to genetic testing  
15                 results must be made in writing not later than  
16                 a specified number of days before any hearing  
17                 at which such results may be introduced into  
18                 evidence (or, at State option, not later than a  
19                 specified number of days after receipt of such  
20                 results); and

21                 “(iii) that, if no objection is made, the test  
22                 results are admissible as evidence of paternity  
23                 without the need for foundation testimony or  
24                 other proof of authenticity or accuracy.”; and

1           (3) by adding after subparagraph (H) the fol-  
2           lowing new subparagraphs:

3           “(I) Procedures providing that the parties to an  
4           action to establish paternity are not entitled to a  
5           jury trial.

6           “(J) At the option of the State, procedures  
7           which require that a temporary order be issued,  
8           upon motion by a party, requiring the provision of  
9           child support pending an administrative or judicial  
10          determination of parentage, where there is clear and  
11          convincing evidence of paternity (on the basis of ge-  
12          netic tests or other evidence).

13          “(K) Procedures under which bills for preg-  
14          nancy, childbirth, and genetic testing are admissible  
15          as evidence without requiring third-party foundation  
16          testimony, and shall constitute prima facie evidence  
17          of amounts incurred for such services and testing on  
18          behalf of the child.

19          “(L) At the option of the State, procedures  
20          under which the tribunal establishing paternity and  
21          support has discretion to waive rights to all or part  
22          of amounts owed to the State (but not to the moth-  
23          er) for costs related to pregnancy, childbirth, and  
24          genetic testing and for public assistance paid to the

1 family where the father cooperates or acknowledges  
2 paternity before or after genetic testing.

3 “(M) Procedures ensuring that the putative fa-  
4 ther has a reasonable opportunity to initiate a pater-  
5 nity action.”.

6 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-  
7 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is  
8 amended by inserting “, and develop an affidavit to be  
9 used for the voluntary acknowledgment of paternity which  
10 shall include the social security number of each parent”  
11 before the semicolon.

12 (c) TECHNICAL AMENDMENT.—Section 468 (42  
13 U.S.C. 668) is amended by striking “a simple civil process  
14 for voluntarily acknowledging paternity and”.

15 **SEC. 542. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**  
16 **LISHMENT.**

17 (a) STATE PLAN REQUIREMENT.—Section 454(23)  
18 (42 U.S.C. 654(23)), as amended by subsections (b)(3)  
19 and (c)(2) of section 501 and section 504(a)(1), is amend-  
20 ed by striking “and” at the end of subparagraph (A), by  
21 inserting “and” at the end of subparagraph (B), and by  
22 adding at the end the following new subparagraph:

23 “(C) publicize the availability and encourage  
24 the use of procedures for voluntary establishment of

1       paternity and child support through a variety of  
2       means, which—

3               “(i) include distribution of written mate-  
4               rials at health care facilities (including hospitals  
5               and clinics), and other locations such as  
6               schools;

7               “(ii) may include pre-natal programs to  
8               educate expectant couples on individual and  
9               joint rights and responsibilities with respect to  
10              paternity (and may require all expectant recipi-  
11              ents of assistance under part A to participate in  
12              such pre-natal programs, as an element of co-  
13              operation with efforts to establish paternity and  
14              child support);

15              “(iii) include, with respect to each child  
16              discharged from a hospital after birth for whom  
17              paternity or child support has not been estab-  
18              lished, reasonable follow-up efforts, providing—

19                      “(I) in the case of a child for whom  
20                      paternity has not been established, infor-  
21                      mation on the benefits of and procedures  
22                      for establishing paternity; and

23                      “(II) in the case of a child for whom  
24                      paternity has been established but child  
25                      support has not been established, informa-

1                   tion on the benefits of and procedures for  
 2                   establishing a child support order, and an  
 3                   application for child support services;”.

4           (b) ENHANCED FEDERAL MATCHING.—Section  
 5 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

6                   (1) by inserting “(i)” before “laboratory costs”,  
 7                   and

8                   (2) by inserting before the semicolon “, and (ii)  
 9                   costs of outreach programs designed to encourage  
 10                  voluntary acknowledgment of paternity”.

11          (c) EFFECTIVE DATES.—

12                  (1) IN GENERAL.—The amendments made by  
 13                  subsection (a) shall become effective October 1,  
 14                  1997.

15                  (2) EXCEPTION.—The amendments made by  
 16                  subsection (b) shall be effective with respect to cal-  
 17                  endar quarters beginning on and after October 1,  
 18                  1996.

19 **SEC. 543. COOPERATION REQUIREMENT AND GOOD CAUSE**  
 20 **EXCEPTION.**

21          (a) CHILD SUPPORT ENFORCEMENT REQUIRE-  
 22          MENTS.—Section 454 (42 U.S.C. 654), as amended by  
 23          sections 501(b)(4), 504(a), 514(b), 522(a), and 526(a) of  
 24          this Act, is amended—



1           (1) by striking “and” at the end of paragraph  
2           (28);

3           (2) by striking the period at the end of para-  
4           graph (29) and inserting “; and”; and

5           (3) by adding after paragraph (29) the follow-  
6           ing new paragraph:

7           “(30) provide that the State agency administer-  
8           ing the plan under this part—

9           “(A) will make the determination specified  
10          under subparagraph (D), as to whether an indi-  
11          vidual is cooperating with efforts to establish  
12          paternity and secure support (or has good cause  
13          not to cooperate with such efforts) for purposes  
14          of the requirements of sections 403(b)(7)(B)  
15          and 1912;

16          “(B) will advise individuals, both orally  
17          and in writing, of the grounds for good cause  
18          exceptions to the requirement to cooperate with  
19          such efforts;

20          “(C) will take the best interests of the  
21          child into consideration in making the deter-  
22          mination whether such individual has good  
23          cause not to cooperate with such efforts;

24          “(D)(i) will make the initial determination  
25          as to whether an individual is cooperating (or

1           has good cause not to cooperate) with efforts to  
2           establish paternity within 10 days after such in-  
3           dividual is referred to such State agency by the  
4           State agency administering the program under  
5           part A of this title or part A of title XIX;

6           “(ii) will make redeterminations as to co-  
7           operation or good cause at appropriate inter-  
8           vals; and

9           “(iii) will promptly notify the individual,  
10          and the State agencies administering such pro-  
11          grams, of each such determination and redeter-  
12          mination;

13          “(E) with respect to any child born on or  
14          after the date 10 months after the date of the  
15          enactment of this paragraph, will not determine  
16          (or redetermine) the mother (or other custodial  
17          relative) of such child to be cooperating with ef-  
18          forts to establish paternity unless such individ-  
19          ual furnishes—

20                  “(i) the name of the putative father  
21                  (or fathers); and

22                  “(ii) sufficient additional information  
23                  to enable the State agency, if reasonable  
24                  efforts were made, to verify the identity of  
25                  the person named as the putative father

1 (including such information as the putative  
2 father's present address, telephone num-  
3 ber, date of birth, past or present place of  
4 employment, school previously or currently  
5 attended, and names and addresses of par-  
6 ents, friends, or relatives able to provide  
7 location information, or other information  
8 that could enable service of process on  
9 such person),

10 unless the State agency is satisfied that the  
11 mother (or other custodial relative) of such  
12 child is cooperating but lacks knowledge of the  
13 required information, and

14 “(F)(i) (in the case of a custodial parent  
15 who was initially determined not to be cooperat-  
16 ing (or to have good cause not to cooperate) is  
17 later determined to be cooperating or to have  
18 good cause not to cooperate) will immediately  
19 notify the State agencies administering the pro-  
20 grams under part A of this title and part A of  
21 title XIX that this eligibility condition has been  
22 met; and

23 “(ii) (in the case of a custodial parent was  
24 initially determined to be cooperating (or to  
25 have good cause not to cooperate)) will not later

1           determine such individual not to be cooperating  
2           (or not to have good cause not to cooperate)  
3           until such individual has been afforded an op-  
4           portunity for a hearing.”.

5           (b) MEDICAID AMENDMENTS.—Section 1912(a) (42  
6 U.S.C. 1396k(a)) is amended—

7           (1) in paragraph (1)(B), by inserting “(except  
8           as provided in paragraph (2))” after “to cooperate  
9           with the State”;

10          (2) in subparagraphs (B) and (C) of paragraph  
11          (1) by striking “, unless” and all that follows and  
12          inserting a semicolon; and

13          (3) by redesignating paragraph (2) as para-  
14          graph (5), and inserting after paragraph (1) the fol-  
15          lowing new paragraphs:

16          “(2) provide that the State agency will imme-  
17          diately refer each applicant or recipient requiring  
18          paternity establishment services to the State agency  
19          administering the program under part D of title IV;

20          “(3) provide that an individual will not be re-  
21          quired to cooperate with the State, as provided  
22          under paragraph (1), if the individual is found to  
23          have good cause for refusing to cooperate, as deter-  
24          mined in accordance with standards prescribed by  
25          the Secretary, which standards shall take into con-

1       sideration the best interests of the individuals in-  
2       volved—

3               “(A) to the satisfaction of the State agency  
4       administering the program under part D, as de-  
5       termined in accordance with section 454(30),  
6       with respect to the requirements to cooperate  
7       with efforts to establish paternity and to obtain  
8       support (including medical support) from a par-  
9       ent; and

10              “(B) to the satisfaction of the State agen-  
11       cy administering the program under this title,  
12       with respect to other requirements to cooperate  
13       under paragraph (1);

14              “(4) provide that (except as provided in para-  
15       graph (5)) an applicant requiring paternity estab-  
16       lishment services (other than an individual eligible  
17       for emergency assistance under part A of title IV, or  
18       presumptively eligible pursuant to section 1920)  
19       shall not be eligible for medical assistance under this  
20       title until such applicant—

21              “(i) has furnished to the agency admin-  
22       istering the State plan under part D of title IV  
23       the information specified in section 454(30)(E);  
24       or

1           “(ii) has been determined by such agency  
2           to have good cause not to cooperate; and

3           “(5) provide that the provisions of paragraph  
4           (4) shall not apply with respect to an applicant—

5           “(i) if such agency has not, within 10 days  
6           after such individual was referred to such agen-  
7           cy, provided the notification required by section  
8           454(30)(D)(iii), until such notification is re-  
9           ceived); and

10          “(ii) if such individual appeals a deter-  
11          mination that the individual lacks good cause  
12          for noncooperation, until after such determina-  
13          tion is affirmed after notice and opportunity for  
14          a hearing.”.

15          (c) EFFECTIVE DATE.—The amendments made by  
16          this section shall be effective with respect to applications  
17          filed in or after the first calendar quarter beginning 10  
18          months or more after enactment of this amendment (or  
19          such earlier quarter as the State may select) for assistance  
20          under part A of title IV or the Social Security Act or for  
21          medical assistance under title XIX of such Act.

1   **PART VI—ESTABLISHMENT AND MODIFICATION**  
2                                   **OF SUPPORT ORDERS**

3   **SEC. 551. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-**  
4                                   **SION.**

5           (a) ESTABLISHMENT.—There is hereby established a  
6 commission to be known as the “National Child Support  
7 Guidelines Commission” (in this section referred to as the  
8 “Commission”).

9           (b) GENERAL DUTIES.—

10               (1) IN GENERAL.—The Commission shall deter-  
11 mine—

12                       (A) whether it is appropriate to develop a  
13 national child support guideline for consider-  
14 ation by the Congress or for adoption by indi-  
15 vidual States; or

16                       (B) based on a study of various guideline  
17 models, the benefits and deficiencies of such  
18 models, and any needed improvements.

19           (2) DEVELOPMENT OF MODELS.—If the Com-  
20 mission determines under paragraph (1)(A) that a  
21 national child support guideline is needed or under  
22 paragraph (1)(B) that improvements to guideline  
23 models are needed, the Commission shall develop  
24 such national guideline or improvements.

25           (c) MATTERS FOR CONSIDERATION BY THE COMMIS-  
26 SION.—In making the recommendations concerning guide-

1 lines required under subsection (b), the Commission shall  
2 consider—

3 (1) the adequacy of State child support guide-  
4 lines established pursuant to section 467 of the So-  
5 cial Security Act;

6 (2) matters generally applicable to all support  
7 orders, including—

8 (A) the feasibility of adopting uniform  
9 terms in all child support orders;

10 (B) how to define income and under what  
11 circumstances income should be imputed; and

12 (C) tax treatment of child support pay-  
13 ments;

14 (3) the appropriate treatment of cases in which  
15 either or both parents have financial obligations to  
16 more than 1 family, including the effect (if any) to  
17 be given to—

18 (A) the income of either parent's spouse;  
19 and

20 (B) the financial responsibilities of either  
21 parent for other children or stepchildren;

22 (4) the appropriate treatment of expenses for  
23 child care (including care of the children of either  
24 parent, and work-related or job-training-related child  
25 care);



1           (5) the appropriate treatment of expenses for  
2       health care (including uninsured health care) and  
3       other extraordinary expenses for children with spe-  
4       cial needs;

5           (6) the appropriate duration of support by 1 or  
6       both parents, including

7                (A) support (including shared support) for  
8                post-secondary or vocational education; and

9                (B) support for disabled adult children;

10          (7) procedures to automatically adjust child  
11       support orders periodically to address changed eco-  
12       nomic circumstances, including changes in the  
13       consumer price index or either parent's income and  
14       expenses in particular cases;

15          (8) procedures to help non-custodial parents ad-  
16       dress grievances regarding visitation and custody or-  
17       ders to prevent such parents from withholding child  
18       support payments until such grievances are resolved;  
19       and

20          (9) whether, or to what extent, support levels  
21       should be adjusted in cases in which custody is  
22       shared or in which the noncustodial parent has ex-  
23       tended visitation rights.

24       (d) MEMBERSHIP.—

25           (1) NUMBER; APPOINTMENT.—

1 (A) IN GENERAL.—The Commission shall  
2 be composed of 12 individuals appointed jointly  
3 by the Secretary of Health and Human Services  
4 and the Congress, not later than January 15,  
5 1997, of which—

6 (i) 2 shall be appointed by the Major-  
7 ity Leader of the Senate, and 1 shall be  
8 appointed by the Minority Leader of the  
9 Senate;

10 (ii) 2 shall be appointed by the Major-  
11 ity Leader of the House of Representa-  
12 tives, and 1 shall be appointed by the Mi-  
13 nority Leader of the House of Representa-  
14 tives; and

15 (iii) 6 shall be appointed by the Sec-  
16 retary of Health and Human Services.

17 (B) QUALIFICATIONS OF MEMBERS.—  
18 Members of the Commission shall have exper-  
19 tise and experience in the evaluation and devel-  
20 opment of child support guidelines. At least 1  
21 member shall represent advocacy groups for  
22 custodial parents, at least 1 member shall rep-  
23 resent advocacy groups for noncustodial par-  
24 ents, and at least 1 member shall be the direc-

1           tor of a State program under part D of title IV  
2           of the Social Security Act.

3           (2) TERMS OF OFFICE.—Each member shall be  
4           appointed for a term of 2 years. A vacancy in the  
5           Commission shall be filled in the manner in which  
6           the original appointment was made.

7           (e) COMMISSION POWERS, COMPENSATION, ACCESS  
8           TO INFORMATION, AND SUPERVISION.—The first sentence  
9           of subparagraph (C), the first and third sentences of sub-  
10          paragraph (D), subparagraph (F) (except with respect to  
11          the conduct of medical studies), clauses (ii) and (iii) of  
12          subparagraph (G), and subparagraph (H) of section  
13          1886(e)(6) of the Social Security Act shall apply to the  
14          Commission in the same manner in which such provisions  
15          apply to the Prospective Payment Assessment Commis-  
16          sion.

17          (f) REPORT.—Not later than 2 years after the ap-  
18          pointment of members, the Commission shall submit to  
19          the President, the Committee on Ways and Means of the  
20          House of Representatives, and the Committee on Finance  
21          of the Senate, a recommended national child support  
22          guideline and a final assessment of issues relating to such  
23          a proposed national child support guideline.

1 (g) TERMINATION.—The Commission shall terminate  
2 6 months after the submission of the report described in  
3 subsection (e).

4 **SEC. 552. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**  
5 **MENT OF CHILD SUPPORT ORDERS.**

6 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-  
7 ed to read as follows:

8 “(10)(A)(i) Procedures under which—

9 “(I) every 3 years, at the request of either  
10 parent subject to a child support order, the  
11 State shall review and, as appropriate, adjust  
12 the order in accordance with the guidelines es-  
13 tablished under section 467(a) if the amount of  
14 the child support award under the order differs  
15 from the amount that would be awarded in ac-  
16 cordance with such guidelines, without a re-  
17 quirement for any other change in cir-  
18 cumstances; and

19 “(II) upon request at any time of either  
20 parent subject to a child support order, the  
21 State shall review and, as appropriate, adjust  
22 the order in accordance with the guidelines es-  
23 tablished under section 467(a) based on a sub-  
24 stantial change in the circumstances of either  
25 such parent.

1           “(ii) Such procedures shall require both parents  
 2           subject to a child support order to be notified of  
 3           their rights and responsibilities provided for under  
 4           clause (i) at the time the order is issued and in the  
 5           annual information exchange form provided under  
 6           subparagraph (B).

7           “(B) Procedures under which each child sup-  
 8           port order issued or modified in the State after the  
 9           effective date of this subparagraph shall require the  
 10          parents subject to the order to provide each other  
 11          with a complete statement of their respective finan-  
 12          cial condition annually on a form which shall be pro-  
 13          vided by the State. The Secretary shall establish reg-  
 14          ulations for the enforcement of such exchange of in-  
 15          formation.”.

## 16   **PART VII—ENFORCEMENT OF SUPPORT ORDERS**

### 17   **SEC. 561. FEDERAL INCOME TAX REFUND OFFSET.**

18          (a) CHANGED ORDER OF REFUND DISTRIBUTION  
 19   UNDER INTERNAL REVENUE CODE.—

20               (1) IN GENERAL.—Section 6402(c) of the Inter-  
 21          nal Revenue Code of 1986 (relating to offset of past-  
 22          due support against overpayments) is amended—

23                       (A) by striking “The amount” and insert-  
 24                       ing

25                       “(1) IN GENERAL.—The amount”;

1 (B) by striking “paid to the State. A re-  
2 duction” and inserting “paid to the State.

3 “(2) PRIORITIES FOR OFFSET.—A reduction”;

4 (C) by striking “shall be applied first” and  
5 inserting “shall be applied (after any reduction  
6 under subsection (d) on account of a debt owed  
7 to the Department of Education or Department  
8 of Health and Human Services with respect to  
9 a student loan) first”;

10 (D) by striking “has been assigned” and  
11 inserting “has not been assigned”; and

12 (E) by striking “and shall be applied” and  
13 all that follows and inserting “and shall there-  
14 after be applied to satisfy any past-due support  
15 that has been so assigned.”.

16 (2) CONFORMING AMENDMENT.—Section  
17 6402(d)(2) of such Code is amended by striking  
18 “after such overpayment” and all that follows  
19 through “Social Security Act and” and inserting  
20 “(A) before such overpayment is reduced pursuant  
21 to subsection (c), in the case of a debt owed to the  
22 Department of Education or Department of Health  
23 and Human Services with respect to a student loan,  
24 (B) after such overpayment is reduced pursuant to

1 subsection (c), in the case of any other debt, and (C)  
2 in either case,”.

3 (b) ELIMINATION OF DISPARITIES IN TREATMENT  
4 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

5 (1) IN GENERAL.—Section 464(a) (42 U.S.C.  
6 664(a)) is amended—

7 (A) in paragraph (1)—

8 (i) in the first sentence, by striking  
9 “which has been assigned to such State  
10 pursuant to section 402(l) or section  
11 471(a)(17)”; and

12 (ii) in the second sentence, by striking  
13 “in accordance with section 457 (b)(4) or  
14 (d)(3)” and inserting “as provided in para-  
15 graph (2)”; and

16 (B) in paragraph (2), to read as follows:

17 “(2) The State agency shall distribute amounts  
18 paid by the Secretary of the Treasury pursuant to  
19 paragraph (1)—

20 “(A) in accordance with subsection (a)(4)  
21 or (d)(3) of section 457, in the case of past-due  
22 support assigned to a State pursuant to section  
23 402(c) or section 471(a)(17); and

1 “(B) to or on behalf of the child to whom  
2 the support was owed, in the case of past-due  
3 support not so assigned.”;

4 (C) in paragraph (3)—

5 (i) by striking “or (2)” each place it  
6 appears; and

7 (ii) in subparagraph (B), by striking  
8 “under paragraph (2)” and inserting “on  
9 account of past-due support described in  
10 paragraph (2)(B)”.

11 (2) NOTICES OF PAST-DUE SUPPORT.—Section  
12 464(b) (42 U.S.C. 664(b)) is amended—

13 (A) by striking “(b)(1)” and inserting  
14 “(b)”;

15 (B) by striking paragraph (2).

16 (3) DEFINITION OF PAST-DUE SUPPORT.—Sec-  
17 tion 464(c) (42 U.S.C. 664(c)) is amended—

18 (A) by striking “(c)(1) Except as provided  
19 in paragraph (2), as” and inserting “(c) As”;  
20 and

21 (B) by striking paragraphs (2) and (3).

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall become effective October 1, 1999.



1 **SEC. 562. INTERNAL REVENUE SERVICE COLLECTION OF**  
2 **ARREARAGES.**

3 (a) AMENDMENT TO INTERNAL REVENUE CODE.—  
4 Section 6305(a) of the Internal Revenue Code of 1986 (re-  
5 lating to collection of certain liability) is amended—

6 (1) in paragraph (1), by inserting “except as  
7 provided in paragraph (5)” after “collected”;

8 (2) by striking “and” at the end of paragraph  
9 (3);

10 (3) by striking the period at the end of para-  
11 graph (4) and inserting “, and”;

12 (4) by adding at the end the following new  
13 paragraph:

14 “(5) no additional fee may be assessed for ad-  
15 justments to an amount previously certified pursu-  
16 ant to such section 452(b) with respect to the same  
17 obligor.”; and

18 (5) by striking “Secretary of Health, Edu-  
19 cation, and Welfare” each place it appears and in-  
20 serting “Secretary of Health and Human Services”.

21 (b) EFFECTIVE DATE.—The amendments made by  
22 this section shall become effective October 1, 1997.

23 **SEC. 563. AUTHORITY TO COLLECT SUPPORT FROM FED-**  
24 **ERAL EMPLOYEES.**

25 (a) CONSOLIDATION AND STREAMLINING OF AU-  
26 THORITIES.—Section 459 (42 U.S.C. 659) is amended—

1           (1) in the heading, by inserting “INCOME WITH-  
2       HOLDING,” before “GARNISHMENT”;

3           (2) in subsection (a)—

4               (A) by striking “section 207” and insert-  
5       ing “section 207 and section 5301 of title 38,  
6       United States Code”; and

7               (B) by striking “to legal process” and all  
8       that follows through the period and inserting  
9       “to withholding in accordance with State law  
10      pursuant to subsections (a)(1) and (b) of sec-  
11      tion 466 and regulations of the Secretary there-  
12      under, and to any other legal process brought,  
13      by a State agency administering a program  
14      under this part or by an individual obligee, to  
15      enforce the legal obligation of such individual to  
16      provide child support or alimony.”;

17          (3) by striking subsection (b) and inserting the  
18      following new subsection:

19      “(b) Except as otherwise provided herein, each entity  
20      specified in subsection (a) shall be subject, with respect  
21      to notice to withhold income pursuant to subsection (a)(1)  
22      or (b) of section 466, or to any other order or process  
23      to enforce support obligations against an individual (if  
24      such order or process contains or is accompanied by suffi-  
25      cient data to permit prompt identification of the individual

1 and the moneys involved), to the same requirements as  
2 would apply if such entity were a private person.”;

3 (4) by striking subsections (c) and (d) and in-  
4 serting the following new subsections:

5 “(c)(1) The head of each agency subject to the re-  
6 quirements of this section shall—

7 “(A) designate an agent or agents to receive or-  
8 ders and accept service of process; and

9 “(B) publish—

10 “(i) in the appendix of such regulations;

11 “(ii) in each subsequent republication of  
12 such regulations; and

13 “(iii) annually in the Federal Register,  
14 the designation of such agent or agents, identified  
15 by title of position, mailing address, and telephone  
16 number.

17 “(2) Whenever an agent designated pursuant to para-  
18 graph (1) receives notice pursuant to subsection (a)(1) or  
19 (b) of section 466, or is effectively served with any order,  
20 process, or interrogatories, with respect to an individual’s  
21 child support or alimony payment obligations, such agent  
22 shall—

23 “(A) as soon as possible (but not later than 15  
24 days) thereafter, send written notice of such notice  
25 or service (together with a copy thereof) to such in-

1       dividual at his duty station or last-known home ad-  
2       dress;

3           “(B) not later than 30 days (or such longer pe-  
4       riod as may be prescribed by applicable State law)  
5       after receipt of a notice pursuant to subsection  
6       (a)(1) or (b) of section 466, comply with all applica-  
7       ble provisions of such section 466; and

8           “(C) not later than 30 days (or such longer pe-  
9       riod as may be prescribed by applicable State law)  
10      after effective service of any other such order, proc-  
11      ess, or interrogatories, respond thereto.

12      “(d) In the event that a governmental entity receives  
13      notice or is served with process, as provided in this section,  
14      concerning amounts owed by an individual to more than  
15      1 person—

16           “(1) support collection under section 466(b)  
17      must be given priority over any other process, as  
18      provided in section 466(b)(7);

19           “(2) allocation of moneys due or payable to an  
20      individual among claimants under section 466(b)  
21      shall be governed by the provisions of such section  
22      466(b) and regulations thereunder; and

23           “(3) such moneys as remain after compliance  
24      with subparagraphs (A) and (B) shall be available to  
25      satisfy any other such processes on a first-come,

1 first-served basis, with any such process being satis-  
2 fied out of such moneys as remain after the satisfac-  
3 tion of all such processes which have been previously  
4 served.”;

5 (5) in subsection (f)—

6 (A) by striking “(f)” and inserting  
7 “(f)(1)”; and

8 (B) by adding at the end the following new  
9 paragraph:

10 “(2) No Federal employee whose duties include tak-  
11 ing actions necessary to comply with the requirements of  
12 subsection (a) with regard to any individual shall be sub-  
13 ject under any law to any disciplinary action or civil or  
14 criminal liability or penalty for, or on account of, any dis-  
15 closure of information made by him in connection with the  
16 carrying out of such duties.”; and

17 (6) by adding at the end the following new sub-  
18 sections:

19 “(g) Authority to promulgate regulations for the im-  
20 plementation of the provisions of this section shall, insofar  
21 as the provisions of this section are applicable to moneys  
22 due from (or payable by)—

23 “(1) the executive branch of the Federal Gov-  
24 ernment (including in such branch, for the purposes  
25 of this subsection, the territories and possessions of

1 the United States, the United States Postal Service,  
2 the Postal Rate Commission, any wholly owned Fed-  
3 eral corporation created by an Act of Congress, and  
4 the government of the District of Columbia), be  
5 vested in the President (or the President's designee);

6 “(2) the legislative branch of the Federal Gov-  
7 ernment, be vested jointly in the President pro tem-  
8 pore of the Senate and the Speaker of the House of  
9 Representatives (or their designees); and

10 “(3) the judicial branch of the Federal Govern-  
11 ment, be vested in the Chief Justice of the United  
12 States (or the Chief Justice's designee).

13 “(h) Subject to subsection (i), moneys paid or payable  
14 to an individual which are considered to be based upon  
15 remuneration for employment, for purposes of this sec-  
16 tion—

17 “(1) consist of—

18 “(A) compensation paid or payable for per-  
19 sonal services of such individual, whether such  
20 compensation is denominated as wages, salary,  
21 commission, bonus, pay, allowances, or other-  
22 wise (including severance pay, sick pay, and in-  
23 centive pay);

1           “(B) periodic benefits (including a periodic  
2           benefit as defined in section 228(h)(3)) or other  
3           payments—

4                   “(i) under the insurance system estab-  
5                   lished by title II;

6                   “(ii) under any other system or fund  
7                   established by the United States which  
8                   provides for the payment of pensions, re-  
9                   tirement or retired pay, annuities, depend-  
10                  ents’ or survivors’ benefits, or similar  
11                  amounts payable on account of personal  
12                  services performed by the individual or any  
13                  other individual;

14                  “(iii) as compensation for death under  
15                  any Federal program;

16                  “(iv) under any Federal program es-  
17                  tablished to provide ‘black lung’ benefits;  
18                  or

19                  “(v) by the Secretary of Veterans Af-  
20                  fairs as pension, or as compensation for a  
21                  service-connected disability or death (ex-  
22                  cept any compensation paid by such Sec-  
23                  retary to a former member of the Armed  
24                  Forces who is in receipt of retired or re-  
25                  tainer pay if such former member has

1           waived a portion of his retired pay in order  
2           to receive such compensation); and

3           “(C) worker’s compensation benefits paid  
4           under Federal or State law; but

5           “(2) do not include any payment—

6           “(A) by way of reimbursement or other-  
7           wise, to defray expenses incurred by such indi-  
8           vidual in carrying out duties associated with his  
9           employment; or

10          “(B) as allowances for members of the uni-  
11          formed services payable pursuant to chapter 7  
12          of title 37, United States Code, as prescribed  
13          by the Secretaries concerned (defined by section  
14          101(5) of such title) as necessary for the effi-  
15          cient performance of duty.

16          “(i) In determining the amount of any moneys due  
17          from, or payable by, the United States to any individual,  
18          there shall be excluded amounts which—

19               “(1) are owed by such individual to the United  
20          States;

21               “(2) are required by law to be, and are, de-  
22          ducted from the remuneration or other payment in-  
23          volved, including Federal employment taxes, and  
24          fines and forfeitures ordered by court-martial;



1           “(3) are properly withheld for Federal, State,  
2           or local income tax purposes, if the withholding of  
3           such amounts is authorized or required by law and  
4           if amounts withheld are not greater than would be  
5           the case if such individual claimed all the depend-  
6           ents that the individual was entitled to (the with-  
7           holding of additional amounts pursuant to section  
8           3402(i) of the Internal Revenue Code of 1986 may  
9           be permitted only when such individual presents evi-  
10          dence of a tax obligation which supports the addi-  
11          tional withholding);

12           “(4) are deducted as health insurance pre-  
13          miums;

14           “(5) are deducted as normal retirement con-  
15          tributions (not including amounts deducted for sup-  
16          plementary coverage); or

17           “(6) are deducted as normal life insurance pre-  
18          miums from salary or other remuneration for em-  
19          ployment (not including amounts deducted for sup-  
20          plementary coverage).

21          “(j) For purposes of this section—”.

22          (b) TRANSFER OF SUBSECTIONS.—Subsections (a)  
23          through (d) of section 462 (42 U.S.C. 662), are trans-  
24          ferred and redesignated as paragraphs (1) through (4),  
25          respectively, of section 459(j) (as added by subsection

1 (a)(6)), and the left margin of each of such paragraphs  
 2 (1) through (4) is indented 2 ems to the right of the left  
 3 margin of subsection (j) (as added by subsection (a)(6)).

4 (c) CONFORMING AMENDMENTS.—

5 (1) TO PART D OF TITLE IV.—Sections 461 and  
 6 462 (42 U.S.C. 661) are repealed.

7 (2) TO TITLE 5, UNITED STATES CODE.—Sec-  
 8 tion 5520a of title 5, United States Code, is amend-  
 9 ed, in subsections (h)(2) and (i), by striking “sec-  
 10 tions 459, 461, and 462 of the Social Security Act  
 11 (42 U.S.C. 659, 661, and 662)” each place it ap-  
 12 pears and inserting “section 459 of the Social Secu-  
 13 rity Act (42 U.S.C. 659)”.

14 (d) MILITARY RETIRED AND RETAINER PAY.—Sec-  
 15 tion 1408 of title 10, United States Code, is amended—

16 (1) in subsection (a)—

17 (A) in paragraph (1)—

18 (i) in subparagraph (B), by striking  
 19 “and”;

20 (ii) in subparagraph (C), by striking  
 21 the period and inserting “; and”; and

22 (iii) by adding at the end the follow-  
 23 ing new subparagraph:

24 “(D) any administrative or judicial tribu-  
 25 nal of a State competent to enter orders for

1 support or maintenance (including a State  
2 agency administering a State program under  
3 part D of title IV of the Social Security Act).”;

4 (B) in paragraph (2), by inserting “or a  
5 court order for the payment of child support  
6 not included in or accompanied by such a de-  
7 cree or settlement,” before “which—”;

8 (2) in subsection (d)—

9 (A) in the heading, by inserting “(OR FOR  
10 BENEFIT OF)” after “CONCERNED”; and

11 (B) in paragraph (1), in the first sentence,  
12 by inserting “(or for the benefit of such spouse  
13 or former spouse to a State central collections  
14 unit or other public payee designated by a  
15 State, in accordance with part D of title IV of  
16 the Social Security Act, as directed by court  
17 order, or as otherwise directed in accordance  
18 with such part D)” before “in an amount suffi-  
19 cient”; and

20 (3) by adding at the end the following new sub-  
21 section:

22 “(j) RELATIONSHIP TO OTHER LAWS.—In any case  
23 involving a child support order against a member who has  
24 never been married to the other parent of the child, the  
25 provisions of this section shall not apply, and the case

1 shall be subject to the provisions of section 459 of the  
2 Social Security Act.”.

3 (e) EFFECTIVE DATE.—The amendments made by  
4 this section shall become effective 6 months after the date  
5 of the enactment of this Act.

6 **SEC. 564. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**  
7 **TIONS OF MEMBERS OF THE ARMED FORCES.**

8 (a) AVAILABILITY OF LOCATOR INFORMATION.—

9 (1) MAINTENANCE OF ADDRESS INFORMA-  
10 TION.—The Secretary of Defense shall establish a  
11 centralized personnel locator service that includes  
12 the address of each member of the Armed Forces  
13 under the jurisdiction of the Secretary. Upon re-  
14 quest of the Secretary of Transportation, addresses  
15 for members of the Coast Guard shall be included in  
16 the centralized personnel locator service.

17 (2) TYPE OF ADDRESS.—

18 (A) RESIDENTIAL ADDRESS.—Except as  
19 provided in subparagraph (B), the address for  
20 a member of the Armed Forces shown in the lo-  
21 cator service shall be the residential address of  
22 that member.

23 (B) DUTY ADDRESS.—The address for a  
24 member of the Armed Forces shown in the loca-

1           tor service shall be the duty address of that  
2           member in the case of a member—

3                   (i) who is permanently assigned over-  
4                   seas, to a vessel, or to a routinely  
5                   deployable unit; or

6                   (ii) with respect to whom the Sec-  
7                   retary concerned makes a determination  
8                   that the member's residential address  
9                   should not be disclosed due to national se-  
10                  curity or safety concerns.

11           (3) UPDATING OF LOCATOR INFORMATION.—

12           Not later than 30 days after a member listed in the  
13           locator service establishes a new residential address  
14           (or a new duty address, in the case of a member cov-  
15           ered by paragraph (2)(B)), the Secretary concerned  
16           shall update the locator service to indicate the new  
17           address of the member.

18           (4) AVAILABILITY OF INFORMATION.—The Sec-  
19           retary of Defense shall make information regarding  
20           the address of a member of the Armed Forces listed  
21           in the locator service available, on request, to the  
22           Federal Parent Locator Service.

23           (b) FACILITATING GRANTING OF LEAVE FOR AT-  
24           TENDANCE AT HEARINGS.—

1           (1) REGULATIONS.—The Secretary of each  
2           military department, and the Secretary of Transpor-  
3           tation with respect to the Coast Guard when it is  
4           not operating as a service in the Navy, shall pre-  
5           scribe regulations to facilitate the granting of leave  
6           to a member of the Armed Forces under the juris-  
7           diction of that Secretary in a case in which—

8                   (A) the leave is needed for the member to  
9                   attend a hearing described in paragraph (2);

10                   (B) the member is not serving in or with  
11                   a unit deployed in a contingency operation (as  
12                   defined in section 101 of title 10, United States  
13                   Code); and

14                   (C) the exigencies of military service (as  
15                   determined by the Secretary concerned) do not  
16                   otherwise require that such leave not be grant-  
17                   ed.

18           (2) COVERED HEARINGS.—Paragraph (1) ap-  
19           plies to a hearing that is conducted by a court or  
20           pursuant to an administrative process established  
21           under State law, in connection with a civil action—

22                   (A) to determine whether a member of the  
23                   Armed Forces is a natural parent of a child; or

1 (B) to determine an obligation of a mem-  
2 ber of the Armed Forces to provide child sup-  
3 port.

4 (3) DEFINITIONS.—For purposes of this sub-  
5 section:

6 (A) The term “court” has the meaning  
7 given that term in section 1408(a) of title 10,  
8 United States Code.

9 (B) The term “child support” has the  
10 meaning given such term in section 462 of the  
11 Social Security Act (42 U.S.C. 662).

12 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-  
13 PLIANCE WITH CHILD SUPPORT ORDERS.—Section 1408  
14 of title 10, United States Code, as amended by section  
15 563(d)(3), is amended—

16 (1) by redesignating subsections (i) and (j) as  
17 subsections (j) and (k), respectively;

18 (2) by inserting after subsection (h) the follow-  
19 ing new subsection:

20 “(i) CERTIFICATION DATE.—It is not necessary that  
21 the date of a certification of the authenticity or complete-  
22 ness of a copy of a court order or an order of an adminis-  
23 trative process established under State law for child sup-  
24 port received by the Secretary concerned for the purposes

1 of this section be recent in relation to the date of receipt  
2 by the Secretary.”; and

3 (3) in subsection (d)—

4 (A) in paragraph (1), by inserting after  
5 the first sentence the following: “In the case of  
6 a spouse or former spouse who, pursuant to  
7 section 402(c) of the Social Security Act, as-  
8 signs to a State the rights of the spouse or  
9 former spouse to receive support, the Secretary  
10 concerned may make the child support pay-  
11 ments referred to in the preceding sentence to  
12 that State in amounts consistent with that as-  
13 signment of rights.”; and

14 (B) by adding at the end the following new  
15 paragraph:

16 “(6) In the case of a court order or an order of an  
17 administrative process established under State law for  
18 which effective service is made on the Secretary concerned  
19 on or after the date of the enactment of this paragraph  
20 and which provides for payments from the disposable re-  
21 tired pay of a member to satisfy the amount of child sup-  
22 port set forth in the order, the authority provided in para-  
23 graph (1) to make payments from the disposable retired  
24 pay of a member to satisfy the amount of child support  
25 set forth in a court order or an order of an administrative



1 process established under State law shall apply to payment  
2 of any amount of child support arrearages set forth in that  
3 order as well as to amounts of child support that currently  
4 become due.”.

5 **SEC. 565. MOTOR VEHICLE LIENS.**

6 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amend-  
7 ed—

8 (1) by striking “(4)” and inserting “(4)(A)”;  
9 and

10 (2) by adding at the end the following new sub-  
11 paragraph:

12 “(B) Procedures for placing liens for arrearages  
13 of child support on motor vehicle titles of individuals  
14 owing such arrearages equal to or exceeding 1  
15 month of support (or other minimum amount set by  
16 the State), under which—

17 “(i) any person owed such arrearages may  
18 place such a lien;

19 “(ii) the State agency administering the  
20 program under this part shall systematically  
21 place such liens;

22 “(iii) expedited methods are provided for—

23 “(I) ascertaining the amount of ar-  
24 rears;

1           “(II) affording the person owing the  
2           arrears or other titleholder to contest the  
3           amount of arrears or to obtain a release  
4           upon fulfilling the support obligation;

5           “(iv) such a lien has precedence over all  
6           other encumbrances on a vehicle title other than  
7           a purchase money security interest; and

8           “(v) the individual or State agency owed  
9           the arrears may execute on, seize, and sell the  
10          property in accordance with State law.”.

11 **SEC. 566. VOIDING OF FRAUDULENT TRANSFERS.**

12          Section 466(a) (42 U.S.C. 666(a)), as amended by  
13          sections 501(a), 527(a), and 531, is amended by adding  
14          at the end the following new paragraph:

15               “(15) Procedures under which—

16                   “(A) the State has in effect—

17                           “(i) the Uniform Fraudulent Convey-  
18                           ance Act of 1981,

19                           “(ii) the Uniform Fraudulent Trans-  
20                           fer Act of 1984, or

21                           “(iii) another law, specifying indicia of  
22                           fraud which create a prima facie case that  
23                           a debtor transferred income or property to  
24                           avoid payment to a child support creditor,  
25                           which the Secretary finds affords com-

1           parable rights to child support creditors;  
2           and

3           “(B) in any case in which the State knows  
4           of a transfer by a child support debtor with re-  
5           spect to which such a prima facie case is estab-  
6           lished, the State must—

7                   “(i) seek to void such transfer; or

8                   “(ii) obtain a settlement in the best  
9           interests of the child support creditor.”.

10 **SEC. 567. STATE LAW AUTHORIZING SUSPENSION OF LI-**  
11 **CENSES.**

12       Section 466(a) (42 U.S.C. 666(a)), as amended by  
13 sections 501(a), 527(a), 531, and 566, is amended by add-  
14 ing at the end the following new paragraph:

15       “(16) Procedures under which the State has  
16       (and uses in appropriate cases) authority (subject to  
17       appropriate due process safeguards) to withhold or  
18       suspend, or to restrict the use of driver’s licenses  
19       and professional and occupational licenses of individ-  
20       uals owing overdue child support or failing, after re-  
21       ceiving appropriate notice, to comply with subpoenas  
22       or warrants relating to paternity or child support  
23       proceedings.”.

1 **SEC. 568. REPORTING ARREARAGES TO CREDIT BUREAUS.**

2 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended  
3 to read as follows:

4 “(7)(A) Procedures (subject to safeguards pur-  
5 suant to subparagraph (B)) requiring the State to  
6 report periodically to consumer reporting agencies  
7 (as defined in section 603(f) of the Fair Credit Re-  
8 porting Act (15 U.S.C. 1681a(f)) the name of any  
9 absent parent who is more than 30 days delinquent  
10 in the payment of at least \$100 of support, and the  
11 amount of overdue support owed by such parent.

12 “(B) Procedures ensuring that, in carrying out  
13 subparagraph (A), information with respect to an  
14 absent parent is reported—

15 “(i) only after such parent has been af-  
16 forded all due process required under State law,  
17 including notice and a reasonable opportunity  
18 to contest the accuracy of such information;  
19 and

20 “(ii) only to an entity that has furnished  
21 evidence satisfactory to the State that the en-  
22 tity is a consumer reporting agency.”.

23 **SEC. 569. EXTENDED STATUTE OF LIMITATION FOR COL-**  
24 **LECTION OF ARREARAGES.**

25 (a) IN GENERAL.—Section 466(a)(9) (42 U.S.C.  
26 666(a)(9)) is amended—

1 (1) by redesignating subparagraphs (A), (B),  
2 and (C) as clauses (i), (ii), and (iii), respectively;

3 (2) by striking “(9)” and inserting “(9)(A)”;  
4 and

5 (3) by adding at the end the following new sub-  
6 paragraph:

7 “(B) Procedures under which the statute of  
8 limitations on any arrearages of child support ex-  
9 tends at least until the child owed such support is  
10 30 years of age.”.

11 (b) APPLICATION OF REQUIREMENT.—The amend-  
12 ment made by this section shall not be interpreted to re-  
13 quire any State law to revive any payment obligation  
14 which had lapsed prior to the effective date of such State  
15 law.

16 **SEC. 570. CHARGES FOR ARREARAGES.**

17 (a) STATE LAW REQUIREMENT.—Section 466(a) (42  
18 U.S.C. 666(a)), as amended by sections 501(a), 527(a),  
19 531, 566, and 567, is amended by adding at the end the  
20 following new paragraph:

21 “(17) Procedures providing for the calculation  
22 and collection of interest or penalties for arrearages  
23 of child support, and for distribution of such interest  
24 or penalties collected for the benefit of the child (ex-

1       cept where the right to support has been assigned to  
2       the State).”.

3       (b) REGULATIONS.—The Secretary of Health and  
4 Human Services shall establish by regulation a rule to re-  
5 solve choice of law conflicts arising in the implementation  
6 of the amendment made by subsection (a).

7       (c) CONFORMING AMENDMENT.—Section 454(21)  
8 (42 U.S.C. 654(21)) is repealed.

9       (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall be effective with respect to arrearages  
11 accruing on or after October 1, 1998.

12 **SEC. 571. DENIAL OF PASSPORTS FOR NONPAYMENT OF**  
13 **CHILD SUPPORT.**

14       (a) HHS CERTIFICATION PROCEDURE.—

15           (1) SECRETARIAL RESPONSIBILITY.—Section  
16 452 (42 U.S.C. 652), as amended by sections  
17 515(a)(3) and 517, is amended by adding at the end  
18 the following new subsection:

19       “(l)(1) If the Secretary receives a certification by a  
20 State agency in accordance with the requirements of sec-  
21 tion 454(31) that an individual owes arrearages of child  
22 support in an amount exceeding \$5,000 or in an amount  
23 exceeding 24 months’ worth of child support, the Sec-  
24 retary shall transmit such certification to the Secretary  
25 of State for action (with respect to denial, revocation, or

1 limitation of passports) pursuant to section 571(b) of the  
2 Interstate Child Support Responsibility Act of 1995.

3 “(2) The Secretary shall not be liable to an individual  
4 for any action with respect to a certification by a State  
5 agency under this section.”.

6 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-  
7 tion 454 (42 U.S.C. 654), as amended by sections  
8 501(b)(4), 504(a), 514(b), 522(a), 526(a), and  
9 543(a) is amended—

10 (A) by striking “and” at the end of para-  
11 graph (29);

12 (B) by striking the period at the end of  
13 paragraph (30) and inserting “; and”; and

14 (C) by adding after paragraph (30) the fol-  
15 lowing new paragraph:

16 “(31) provide that the State agency will have in  
17 effect a procedure (which may be combined with the  
18 procedure for tax refund offset under section 464)  
19 for certifying to the Secretary, for purposes of the  
20 procedure under section 452(l) (concerning denial of  
21 passports) determinations that individuals owe ar-  
22 rearages of child support in an amount exceeding  
23 \$5,000 or in an amount exceeding 24 months’ worth  
24 of child support, under which procedure—

1           “(A) each individual concerned is afforded  
2           notice of such determination and the con-  
3           sequences thereof, and an opportunity to con-  
4           test the determination; and

5           “(B) the certification by the State agency  
6           is furnished to the Secretary in such format,  
7           and accompanied by such supporting docu-  
8           mentation, as the Secretary may require.”.

9           (b) STATE DEPARTMENT PROCEDURE FOR DENIAL  
10       OF PASSPORTS.—

11           (1) IN GENERAL.—The Secretary of State,  
12           upon certification by the Secretary of Health and  
13           Human Services, in accordance with section 452(l)  
14           of the Social Security Act, that an individual owes  
15           arrearages of child support in excess of \$5,000, shall  
16           refuse to issue a passport to such individual, and  
17           may revoke, restrict, or limit a passport issued pre-  
18           viously to such individual.

19           (2) LIMIT ON LIABILITY.—The Secretary of  
20           State shall not be liable to an individual for any ac-  
21           tion with respect to a certification by a State agency  
22           under this section.

23           (c) EFFECTIVE DATE.—This section and the amend-  
24           ments made by this section shall become effective October  
25           1, 1996.



1 **SEC. 572. INTERNATIONAL CHILD SUPPORT ENFORCE-**  
2 **MENT.**

3 (a) SENSE OF THE CONGRESS THAT THE UNITED  
4 STATES SHOULD RATIFY THE UNITED NATIONS CON-  
5 VENTION OF 1956.—It is the sense of the Congress that  
6 the United States should ratify the United Nations Con-  
7 vention of 1956.

8 (b) TREATMENT OF INTERNATIONAL CHILD SUP-  
9 PORT CASES AS INTERSTATE CASES.—Section 454 (42  
10 U.S.C. 654), as amended by sections 501(b)(4), 504(a),  
11 514(b), 522(a), 526(a), 543(a), and 571(a)(2) of this Act,  
12 is amended—

13 (1) by striking “and” at the end of paragraph  
14 (30);

15 (2) by striking the period at the end of para-  
16 graph (31) and inserting “; and”; and

17 (3) by inserting after paragraph (31) the fol-  
18 lowing new paragraph:

19 “(32) provide that the State must treat inter-  
20 national child support cases in the same manner as  
21 the State treats interstate child support cases under  
22 the plan.”.

**PART VIII—MEDICAL SUPPORT**

**SEC. 581. TECHNICAL CORRECTION TO ERISA DEFINITION  
OF MEDICAL CHILD SUPPORT ORDER.**

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking “issued by a court of competent jurisdiction”;

(2) in clause (ii) by striking the period and inserting a comma; and

(3) by adding after clause (ii), the following flush left language:

“if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued by an administrative adjudicator and has the force and effect of law under applicable State law.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall become effective on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—

(A) IN GENERAL.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be

made before the first plan year beginning on or after January 1, 1996, if—

(i) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(ii) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

(B) NO FAILURE FOR COMPLIANCE WITH THIS PARAGRAPH.—A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

**PART IX—VISITATION AND SUPPORT ASSURANCE**

**PROJECTS**

**SEC. 591. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.**

Part D of title IV is amended by adding at the end the following new section:

1 “GRANTS TO STATES FOR ACCESS AND VISITATION  
2 PROGRAMS

3           “SEC. 469A. (a) PURPOSES; AUTHORIZATION OF AP-  
4   PROPRIATIONS.—For purposes of enabling States to es-  
5   tablish and administer programs to support and facilitate  
6   absent parents’ access to and visitation of their children,  
7   by means of activities including mediation (both voluntary  
8   and mandatory), counseling, education, development of  
9   parenting plans, visitation enforcement (including mon-  
10   itoring, supervision, and neutral drop-off and pickup), and  
11   development of guidelines for visitation and alternative  
12   custody arrangements, there are authorized to be appro-  
13   priated \$5,000,000 for each of fiscal years 1996 and  
14   1997, and \$10,000,000 for each succeeding fiscal year.

15 “(b) PAYMENTS TO STATES.—

“(1) IN GENERAL.—Each State shall be entitled to payment under this section for each fiscal year in an amount equal to its allotment under subsection (c) for such fiscal year, to be used for payment of 90 percent of State expenditures for the purposes specified in subsection (a).

22 “(2) SUPPLEMENTARY USE.—Payments under  
23 this section shall be used by a State to supplement  
24 (and not to substitute for) expenditures by the  
25 State, for activities specified in subsection (a), at a

1 level at least equal to the level of such expenditures  
2 for fiscal year 1994.

3 “(c) ALLOTMENTS TO STATES.—

4 “(1) IN GENERAL.—For purposes of subsection  
5 (b), each State shall be entitled (subject to para-  
6 graph (2)) to an amount for each fiscal year bearing  
7 the same ratio to the amount authorized to be ap-  
8 propriated pursuant to subsection (a) for such fiscal  
9 year as the number of children in the State living  
10 with only 1 biological parent bears to the total num-  
11 ber of such children in all States.

12 “(2) MINIMUM ALLOTMENT.—Allotments to  
13 States under paragraph (1) shall be adjusted as nec-  
14 essary to ensure that no State is allotted less than  
15 \$50,000 for fiscal year 1996 or 1997, or \$100,000  
16 for any succeeding fiscal year.

17 “(d) FEDERAL ADMINISTRATION.—The program  
18 under this section shall be administered by the Adminis-  
19 tration for Children and Families.

20 “(e) STATE PROGRAM ADMINISTRATION.—

21 “(1) IN GENERAL.—Each State may administer  
22 the program under this section directly or through  
23 grants to or contracts with courts, local public agen-  
24 cies, or nonprofit private entities.

1           “(2) STATEWIDE PLAN PERMISSIBLE.—State  
2           programs under this section may, but need not, be  
3           statewide.

4           “(3) EVALUATION.—States administering pro-  
5           grams under this section shall monitor, evaluate,  
6           and report on such programs in accordance with re-  
7           quirements established by the Secretary.”.

8   **SEC. 592. CHILD SUPPORT ASSURANCE DEMONSTRATION**  
9                           **PROJECTS**

10          (a) IN GENERAL.—In order to encourage States to  
11          provide a guaranteed minimum level of child support for  
12          every eligible child not receiving such support, the Sec-  
13          retary of Health and Human Services is authorized to  
14          allow States to conduct demonstration projects in 1 or  
15          more political localities for the purpose of establishing or  
16          improving a system of assured minimum child support  
17          payments.

18          (b) SUBMISSIONS BY STATES.—Each State shall pro-  
19          vide the Secretary of Health and Human Services with  
20          a complete description of the proposed demonstration  
21          project and allow for ongoing and retrospective evaluation  
22          of the project, providing such data and reports on an an-  
23          nual basis as are necessary to accomplish a thorough eval-  
24          uation of such project.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated \$25,000,000 for each  
3 of fiscal years 1996, 1997, and 1998, to conduct the dem-  
4 onstration projects and evaluations required under this  
5 section.

## 6 **Subtitle B—Effect of Enactment**

### 7 **SEC. 595. EFFECTIVE DATES.**

8 (a) IN GENERAL.—Except as otherwise specifically  
9 provided (but subject to subsections (b) and (c))—

10 (1) provisions of subtitle A requiring enactment  
11 or amendment of State laws under section 466 of  
12 the Social Security Act, or revision of State plans  
13 under section 454 of such Act, shall be effective with  
14 respect to periods beginning on and after October 1,  
15 1996; and

16 (2) all other provisions of subtitle A shall be-  
17 come effective upon the date of the enactment of  
18 this Act.

19 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The  
20 provisions of subtitle A shall become effective with respect  
21 to a State on the later of—

22 (1) the date specified in subtitle A, or

23 (2) the effective date of laws enacted by the leg-  
24 islature of such State implementing such provisions,

1 but in no event later than the first day of the first cal-  
2 endar quarter beginning after the close of the first regular  
3 session of the State legislature that begins after the date  
4 of the enactment of this Act. For purposes of the previous  
5 sentence, in the case of a State that has a 2-year legisla-  
6 tive session, each year of such session shall be deemed to  
7 be a separate regular session of the State legislature.

8 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL  
9 AMENDMENT.—A State shall not be found out of compli-  
10 ance with any requirement enacted by subtitle A if it is  
11 unable to comply without amending the State constitution  
12 until the earlier of—

13 (1) the date which is 1 year after the effective  
14 date of the necessary State constitutional amend-  
15 ment, or

16 (2) the date which is 5 years after the date of  
17 the enactment of this Act.

18 **SEC. 596. SEVERABILITY.**

19 If any provision of subtitle A or the application there-  
20 of to any person or circumstance is held invalid, the inva-  
21 lidity shall not affect other provisions or applications of  
22 subtitle A which can be given effect without regard to the  
23 invalid provision or application, and to this end the provi-  
24 sions of subtitle A shall be severable.



1       **TITLE VI—SUPPLEMENTAL**  
 2       **SECURITY INCOME REFORM**  
 3       **Subtitle A—Eligibility Restrictions**

4       **SEC. 601. DRUG ADDICTS AND ALCOHOLICS UNDER THE**  
 5                   **SUPPLEMENTAL SECURITY INCOME PRO-**  
 6                   **GRAM.**

7       (a) TERMINATION OF SSI CASH BENEFITS FOR  
 8       DRUG ADDICTS AND ALCOHOLICS.—Section 1611(e)(3)  
 9       (42 U.S.C. 1382(e)(3)) is amended—

10               (1) by striking “(B)” and inserting “(C)”;

11               (2) by striking “(3)(A) and inserting “(B)”;

12       and

13               (3) by inserting before subparagraph (B) as re-  
 14       designated by paragraph (2) the following new sub-  
 15       paragraph:

16       “(3)(A) No cash benefits shall be payable under this  
 17       title to any individual who is otherwise eligible for benefits  
 18       under this title by reason of disability, if such individual’s  
 19       alcoholism or drug addiction is a contributing factor mate-  
 20       rial to the Commissioner’s determination that such indi-  
 21       vidual is disabled.”.

22       (b) TREATMENT REQUIREMENTS.—

23               (1) Section 1611(e)(3)(B)(i)(I) (42 U.S.C.  
 24       1382(e)(3)(B)(i)(I)), as redesignated by subsection  
 25       (a), is amended to read as follows:

1       “(B)(i)(I)(aa) Any individual who would be eligible  
2 for cash benefits under this title but for the application  
3 of subparagraph (A) may elect to comply with the provi-  
4 sions of this subparagraph.

5       “(bb) Any individual who is eligible for cash benefits  
6 under this title by reason of disability (or whose eligibility  
7 for such benefits is suspended) or is eligible for benefits  
8 pursuant to section 1619(b), and who was eligible for such  
9 benefits by reason of disability, for which such individual’s  
10 alcoholism or drug addiction was a contributing factor ma-  
11 terial to the Commissioner’s determination that such indi-  
12 vidual was disabled, for the month preceding the month  
13 in which section 601 of the Work First Act of 1995 takes  
14 effect, shall be required to comply with the provisions of  
15 this subparagraph.”.

16           (2) Section 1611(e)(3)(B)(i)(II) (42 U.S.C.  
17 1382(e)(3)(B)(i)(II)), as so redesignated, is amend-  
18 ed by striking “who is required under subclause (I)”  
19 and inserting “described in division (bb) of  
20 subclause (I) who is required”.

21           (3) Subclauses (I) and (II) of section  
22 1611(e)(3)(B)(ii) (42 U.S.C. 1382(e)(3)(B)(ii)), as  
23 so redesignated, are each amended by striking  
24 “clause (i)” and inserting “clause (i)(I)”.

1           (4) Section 1611(e)(3)(B) (42 U.S.C.  
2   1382(e)(3)(B)), as so redesignated, is amended by  
3   striking clause (v) and by redesignating clause (vi)  
4   as clause (v).

5           (5) Section 1611(e)(3)(B)(v) (42 U.S.C.  
6   1382(e)(3)(B)(v)), as redesignated by paragraph  
7   (4), is amended—

8           (A) in subclause (I), by striking “who is el-  
9           igible” and all that follows through “is dis-  
10          abled” and inserting “described in clause  
11          (i)(I)”;

12          (B) in subclause (V), by striking “or v”.

13          (6) Section 1611(e)(3)(C)(i) (42 U.S.C.  
14   1382(e)(3)(C)(i)), as redesignated by subsection (a),  
15   is amended by striking “who are receiving benefits  
16   under this title and who as a condition of such bene-  
17   fits” and inserting “described in subparagraph  
18   (B)(i)(I)(aa) who elect to undergo treatment; and  
19   the monitoring and testing of all individuals de-  
20   scribed in subparagraph (B)(i)(I)(bb) who”.

21          (7) Section 1611(e)(3)(C)(iii)(II)(aa) (42  
22   U.S.C. 1382(e)(3)(C)(iii)(II)(aa)), as so redesign-  
23   ated, is amended by striking “residing in the  
24   State” and all that follows through “they are dis-

1       abled” and inserting “described in subparagraph  
2       (B)(i)(I) residing in the State”.

3           (8) Section 1611(e)(3)(C)(iii) (42 U.S.C.  
4       1382(e)(3)(C)(iii)), as so redesignated, is amended  
5       by adding at the end the following:

6       “(III) The monitoring requirements of subclause (II)  
7       shall not apply in the case of any individual described in  
8       subparagraph (B)(i)(I)(aa) who fails to comply with the  
9       requirements of subparagraph (B).”.

10          (9) Section 1611(e)(3) (42 U.S.C. 1382(e)(3)),  
11       as amended by subsection (a), is amended by adding  
12       at the end the following new subparagraphs:

13       “(D) The Commissioner shall provide appropriate no-  
14       tification to each individual subject to the limitation on  
15       cash benefits contained in subparagraph (A) and the  
16       treatment provisions contained in subparagraph (B).

17       “(E) The requirements of subparagraph (B) shall  
18       cease to apply to any individual if the Commissioner deter-  
19       mines that such individual no longer needs treatment.”.

20          (c) PRESERVATION OF MEDICAID ELIGIBILITY.—  
21       Section 1634(e) (42 U.S.C. 1382(e)) is amended—

22          (1) by striking “clause (i) or (v) of section  
23       1611(e)(3)(A)” and inserting “subparagraph (A) or  
24       subparagraph (B)(i)(II) of section 1611(e)(3)”;

1           (2) by adding at the end the following: “This  
2       subsection shall cease to apply to any such person  
3       if the Commissioner determines that such person no  
4       longer needs treatment.”.

5       (d) EFFECTIVE DATE.—

6           (1) IN GENERAL.—Except as provided in para-  
7       graph (2), the amendments made by this section  
8       shall apply to applicants for benefits for months be-  
9       ginning on or after the date of the enactment of this  
10      Act, without regard to whether regulations have  
11      been issued to implement such amendments.

12          (2) APPLICATION TO CURRENT RECIPIENTS.—  
13      Notwithstanding any other provision of law, in the  
14      case of an individual who is receiving supplemental  
15      security income benefits under title XVI of the So-  
16      cial Security Act as of the date of the enactment of  
17      this Act and whose eligibility for such benefits would  
18      terminate by reason of the amendments made by  
19      this section, such amendments shall apply with re-  
20      spect to the benefits of such individual for months  
21      beginning on or after January 1, 1997, and the  
22      Commissioner of Social Security shall so notify the  
23      individual not later than 90 days after the date of  
24      the enactment of this Act.

1     **Subtitle B—Benefits for Disabled**  
2                     **Children**

3     **SEC. 611. DEFINITION AND ELIGIBILITY RULES.**

4             (a) DEFINITION OF CHILDHOOD DISABILITY.—Sec-  
5     tion 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

6                 (1) in subparagraph (A), by striking “An indi-  
7             vidual” and inserting “Except as provided in sub-  
8             paragraph (C), an individual”;

9                 (2) in subparagraph (A), by striking “(or, in  
10            the case of an individual under the age of 18, if he  
11            suffers from any medically determinable physical or  
12            mental impairment of comparable severity)”;

13                (3) by redesignating subparagraphs (C) through  
14            (H) as subparagraphs (D) through (I), respectively;

15                (4) by inserting after subparagraph (B) the fol-  
16            lowing new subparagraph:

17            “(C) An individual under the age of 18 shall be con-  
18            sidered disabled for the purposes of this title if that indi-  
19            vidual has a medically determinable physical or mental im-  
20            pairment, which results in marked and severe functional  
21            limitations, and which can be expected to result in death  
22            or which has lasted or can be expected to last for a contin-  
23            uous period of not less than 12 months.”; and

1           (5) in subparagraph (F), as redesignated by  
2       paragraph (3), by striking “(D)” and inserting  
3       “(E)”.

4       (b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

5           (1) MODIFICATION TO MEDICAL CRITERIA FOR  
6       EVALUATION OF MENTAL AND EMOTIONAL DIS-  
7       ORDERS.—The Commissioner of Social Security  
8       shall modify sections 112.00C.2. and  
9       112.02B.2.c.(2) of appendix 1 to subpart P of part  
10      404 of title 20, Code of Federal Regulations, to  
11      eliminate references to maladaptive behavior in the  
12      domain of personal/behavioral function.

13          (2) DISCONTINUANCE OF INDIVIDUALIZED  
14      FUNCTIONAL ASSESSMENT.—The Commissioner of  
15      Social Security shall discontinue the individualized  
16      functional assessment for children set forth in sec-  
17      tions 416.924d and 416.924e of title 20, Code of  
18      Federal Regulations.

19      (c) EFFECTIVE DATE; REGULATIONS; APPLICATION  
20      TO CURRENT RECIPIENTS.—

21          (1) IN GENERAL.—The amendments made by  
22      subsections (a) and (b) shall apply to applicants for  
23      benefits for months beginning on or after the date  
24      of the enactment of this Act, without regard to

1       whether regulations have been issued to implement  
2       such amendments.

3           (2) REGULATIONS.—The Commissioner of So-  
4       cial Security shall issue such regulations as the  
5       Commissioner determines to be necessary to imple-  
6       ment the amendments made by subsections (a) and  
7       (b) not later than 60 days after the date of the en-  
8       actment of this Act.

9           (3) APPLICATION TO CURRENT RECIPIENTS.—

10          (A) ELIGIBILITY DETERMINATIONS.—Not  
11       later than 1 year after the date of the enact-  
12       ment of this Act, the Commissioner of Social  
13       Security shall redetermine the eligibility of any  
14       individual under age 18 who is receiving supple-  
15       mental security income benefits based on a dis-  
16       ability under title XVI of the Social Security  
17       Act as of the date of the enactment of this Act  
18       and whose eligibility for such benefits may ter-  
19       minate by reason of the amendments made by  
20       subsection (a) or (b). With respect to  
21       redeterminations under this subparagraph—

22           (i) section 1614(a)(4) of the Social  
23       Security Act (42 U.S.C. 1382c(a)(4)) shall  
24       not apply;



1 (ii) the Commissioner of Social Secu-  
2 rity shall apply the eligibility criteria for  
3 new applicants for benefits under title XVI  
4 of such Act; and

5 (iii) the Commissioner shall give such  
6 redeterminations priority over all other re-  
7 views under such title.

8 (B) GRANDFATHER PROVISION.—The  
9 amendments made by subsections (a) and (b),  
10 and the redetermination under subparagraph  
11 (A), shall only apply with respect to the benefits  
12 of an individual described in subparagraph (A)  
13 for months beginning on or after January 1,  
14 1997.

15 (C) NOTICE.—Not later than 90 days after  
16 the date of the enactment of this Act, the Com-  
17 missioner of Social Security shall notify an indi-  
18 vidual described in subparagraph (A) of the  
19 provisions of this paragraph.

20 **SEC. 612. ELIGIBILITY REDETERMINATIONS AND CONTINU-**  
21 **ING DISABILITY REVIEWS.**

22 (a) CONTINUING DISABILITY REVIEWS RELATING TO  
23 CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C.  
24 1382c(a)(3)(H)), as redesignated by section 611(a)(3), is  
25 amended—

1 (1) by inserting “(i)” after “(H)”; and

2 (2) by adding at the end the following new  
3 clause:

4 “(ii)(I) Not less frequently than once every 3 years,  
5 the Commissioner shall review in accordance with para-  
6 graph (4) the continued eligibility for benefits under this  
7 title of each individual who has not attained 18 years of  
8 age and is eligible for such benefits by reason of an im-  
9 pairment (or combination of impairments) which may im-  
10 prove (or, which is unlikely to improve, at the option of  
11 the Commissioner).

12 “(II) A parent or guardian of a recipient whose case  
13 is reviewed under this clause shall present, at the time  
14 of review, evidence demonstrating that the recipient is,  
15 and has been, receiving treatment, to the extent consid-  
16 ered medically necessary and available, of the condition  
17 which was the basis for providing benefits under this  
18 title.”.

19 (b) DISABILITY ELIGIBILITY REDETERMINATIONS  
20 REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS  
21 OF AGE.—

22 (1) IN GENERAL.—Section 1614(a)(3)(H) (42  
23 U.S.C. 1382c(a)(3)(H)), as amended by subsection  
24 (a), is amended by adding at the end the following  
25 new clause:

1       “(iii) If an individual is eligible for benefits under this  
2 title by reason of disability for the month preceding the  
3 month in which the individual attains the age of 18 years,  
4 the Commissioner shall redetermine such eligibility—

5               “(I) during the 1-year period beginning on the  
6 individual’s 18th birthday; and

7               “(II) by applying the criteria used in determin-  
8 ing the initial eligibility for applicants who have at-  
9 tained the age of 18 years.

10 With respect to a redetermination under this clause, para-  
11 graph (4) shall not apply and such redetermination shall  
12 be considered a substitute for a review or redetermination  
13 otherwise required under any other provision of this sub-  
14 paragraph during that 1-year period.”.

15               (2) CONFORMING REPEAL.—Section 207 of the  
16 Social Security Independence and Program Improve-  
17 ments Act of 1994 (42 U.S.C. 1382 note; 108 Stat.  
18 1516) is hereby repealed.

19               (c) CONTINUING DISABILITY REVIEW REQUIRED FOR  
20 LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H)  
21 (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections  
22 (a) and (b), is amended by adding at the end the following  
23 new clause:

24               “(iv)(I) Not later than 12 months after the birth of  
25 an individual, the Commissioner shall review in accordance

1 with paragraph (4) the continuing eligibility for benefits  
2 under this title by reason of disability of such individual  
3 whose low birth weight is a contributing factor material  
4 to the Commissioner's determination that the individual  
5 is disabled.

6 “(II) A review under subclause (I) shall be considered  
7 a substitute for a review otherwise required under any  
8 other provision of this subparagraph during that 12-  
9 month period.

10 “(III) A parent or guardian of a recipient whose case  
11 is reviewed under this clause shall present, at the time  
12 of review, evidence demonstrating that the recipient is,  
13 and has been, receiving treatment, to the extent consid-  
14 ered medically necessary and available, of the condition  
15 which was the basis for providing benefits under this  
16 title.”.

17 (d) MEDICAID FOR CHILDREN SHOWING IMPROVE-  
18 MENT.—Section 1634 (42 U.S.C. 1383c) is amended by  
19 adding at the end the following new subsection:

20 “(f) In the case of any individual who has not at-  
21 tained 18 years of age and who has been determined to  
22 be ineligible for benefits under this title—

23 “(1) because of medical improvement following  
24 a continuing disability review under section  
25 1631(a)(3)(H), or

1           “(2) as the result of the application of section  
2           611(b)(2) of the Work First Act of 1995,  
3 such individual shall continue to be considered eligible for  
4 such benefits for purposes of determining eligibility under  
5 title XIX if such individual is not otherwise eligible for  
6 medical assistance under such title and, in the case of an  
7 individual described in paragraph (1), such assistance is  
8 needed to maintain functional gains, and, in the case of  
9 an individual described in paragraph (2), such assistance  
10 would be available if such section 611(b)(2) had not been  
11 enacted.”.

12       (e) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to benefits for months beginning  
14 on or after the date of the enactment of this Act, without  
15 regard to whether regulations have been issued to imple-  
16 ment such amendments.

17 **SEC. 613. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.**

18       (a) TIGHTENING OF REPRESENTATIVE PAYEE RE-  
19 QUIREMENTS.—

20           (1) CLARIFICATION OF ROLE.—Section  
21       1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is  
22       amended by striking “and” at the end of subclause  
23       (II), by striking the period at the end of subclause  
24       (IV) and inserting “; and”, and by adding after  
25       subclause (IV) the following new subclause:

1           “(V) advise such person through the notice of  
2           award of benefits, and at such other times as the  
3           Commissioner of Social Security deems appropriate,  
4           of specific examples of appropriate expenditures of  
5           benefits under this title and the proper role of a rep-  
6           resentative payee.”.

7           (2) DOCUMENTATION OF EXPENDITURES RE-  
8           QUIRED.—

9           (A) IN GENERAL.—Subparagraph (C)(i) of  
10           section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is  
11           amended to read as follows:

12           “(C)(i) In any case where payment is made to a rep-  
13           resentative payee of an individual or spouse, the Commis-  
14           sioner of Social Security shall—

15           “(I) require such representative payee to docu-  
16           ment expenditures and keep contemporaneous  
17           records of transactions made using such payment;  
18           and

19           “(II) implement statistically valid procedures  
20           for reviewing a sample of such contemporaneous  
21           records in order to identify instances in which such  
22           representative payee is not properly using such pay-  
23           ment.”.

24           (B) CONFORMING AMENDMENT WITH RE-  
25           SPECT TO PARENT PAYEES.—Clause (ii) of sec-

1           tion 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C))  
 2           is amended by striking “Clause (i)” and insert-  
 3           ing “Subclauses (II) and (III) of clause (i)”.

4           (3) EFFECTIVE DATE.—The amendments made  
 5           by this subsection shall apply to benefits paid after  
 6           the date of the enactment of this Act.

7           (b) DEDICATED SAVINGS ACCOUNTS.—

8           (1) IN GENERAL.—Section 1631(a)(2)(B) (42  
 9           U.S.C. 1383(a)(2)(B)) is amended by adding at the  
 10          end the following new clause:

11          “(xiv) Notwithstanding clause (x), the Commissioner  
 12          of Social Security may, at the request of the representative  
 13          payee, pay any lump sum payment for the benefit of a  
 14          child into a dedicated savings account that could only be  
 15          used to purchase for such child—

16               “(I) education and job skills training;

17               “(II) special equipment or housing modifica-  
 18          tions or both specifically related to, and required by  
 19          the nature of, the child’s disability; and

20               “(III) appropriate therapy and rehabilitation.”.

21          (2) DISREGARD OF TRUST FUNDS.—Section  
 22          1613(a) (42 U.S.C. 1382b) is amended—

23               (A) by striking “and” at the end of para-  
 24          graph (9),

1 (B) by striking the period at the end of  
 2 paragraph (10) the first place it appears and  
 3 inserting a semicolon,

4 (C) by redesignating paragraph (10) the  
 5 second place it appears as paragraph (11) and  
 6 striking the period at the end of such para-  
 7 graph and inserting “; and”, and

8 (D) by inserting after paragraph (11), as  
 9 so redesignated, the following new paragraph:

10 “(12) all amounts deposited in, or interest cred-  
 11 ited to, a dedicated savings account described in sec-  
 12 tion 1631(a)(2)(B)(xiv).”.

13 (3) EFFECTIVE DATE.—The amendments made  
 14 by this subsection shall apply to payments made  
 15 after the date of the enactment of this Act.

16 **Subtitle C—Studies Regarding Sup-**  
 17 **plemental Security Income Pro-**  
 18 **gram**

19 **SEC. 621. ANNUAL REPORT ON THE SUPPLEMENTAL SECU-**  
 20 **RITY INCOME PROGRAM.**

21 Title XVI is amended by adding at the end the follow-  
 22 ing new section:

23 **“SEC. 1636. ANNUAL REPORT ON PROGRAM.**

24 “(a) DESCRIPTION OF REPORT.—Not later than May  
 25 30 of each year, the Commissioner of Social Security shall



1 prepare and deliver a report annually to the President and  
2 the Congress regarding the program under this title, in-  
3 cluding—

4           “(1) a comprehensive description of the pro-  
5 gram;

6           “(2) historical and current data on allowances  
7 and denials, including number of applications and  
8 allowance rates at initial determinations, reconsider-  
9 ations, administrative law judge hearings, council of  
10 appeals hearings, and Federal court appeal hearings;

11           “(3) historical and current data on characteris-  
12 tics of recipients and program costs, by recipient  
13 group (aged, blind, work disabled adults, and chil-  
14 dren);

15           “(4) projections of future number of recipients  
16 and program costs, through at least 25 years;

17           “(5) number of redeterminations and continu-  
18 ing disability reviews, and the outcomes of such  
19 redeterminations and reviews;

20           “(6) data on the utilization of work incentives;

21           “(7) detailed information on administrative and  
22 other program operation costs;

23           “(8) summaries of relevant research undertaken  
24 by the Social Security Administration, or by other  
25 researchers;

1           “(9) State supplementation program operations;

2           “(10) a historical summary of statutory  
3 changes to this title; and

4           “(11) such other information as the Commis-  
5 sioner deems useful.

6           “(b) VIEWS OF CBO.—The annual report under this  
7 section shall include an analysis of its contents by the Con-  
8 gressional Budget Office.

9           “(c) VIEWS OF MEMBERS OF THE SOCIAL SECURITY  
10 ADVISORY COUNCIL.—Each member of the Social Secu-  
11 rity Advisory Council shall be permitted to provide an indi-  
12 vidual report, or a joint report if agreed, of views of the  
13 program under this title, to be included in the annual re-  
14 port under this section.

15           “(d) NOT SUBJECT TO PRIOR EXECUTIVE BRANCH  
16 REVIEW OR APPROVAL.—In preparing and transmitting  
17 the annual report under this section, the Commissioner  
18 shall provide the best and most accurate information, and  
19 shall not be required to submit such report to the Office  
20 of Management and Budget or to other review proce-  
21 dures.”.

22 **SEC. 622. IMPROVEMENTS TO DISABILITY EVALUATION.**

23           (a) REQUEST FOR COMMENTS.—

24           (1) IN GENERAL.—Not later than 60 days after  
25 the date of the enactment of this Act, the Commis-

1 sioner of Social Security shall issue a request for  
2 comments in the Federal Register regarding im-  
3 provements to the disability evaluation and deter-  
4 mination procedures for individuals under age 18 to  
5 ensure the comprehensive assessment of such indi-  
6 viduals, including—

7 (A) additions to conditions which should be  
8 presumptively disabling at birth or ages 0  
9 through 3 years;

10 (B) specific changes in individual listings  
11 in the Listing of Impairments set forth in ap-  
12 pendix 1 of subpart P of part 404 of title 20,  
13 Code of Federal Regulations;

14 (C) improvements in regulations regarding  
15 determinations based on regulations providing  
16 for medical and functional equivalence to such  
17 Listing of Impairments, and consideration of  
18 multiple impairments; and

19 (D) any other changes to the disability de-  
20 termination procedures.

21 (2) REVIEW AND REGULATORY ACTION.—The  
22 Commissioner of Social Security shall promptly re-  
23 view such comments and issue any regulations im-  
24 plementing any necessary changes not later than 18  
25 months after the date of the enactment of this Act.

1 **SEC. 623. STUDY OF DISABILITY DETERMINATION PROC-**  
2 **ESS.**

3 (a) IN GENERAL.—Not later than 90 days after the  
4 date of the enactment of this Act, and from funds other-  
5 wise appropriated, the Commissioner of Social Security  
6 shall make arrangements with the National Academy of  
7 Sciences, or other independent entity, to conduct a study  
8 of the disability determination process under titles II and  
9 XVI of the Social Security Act. This study shall be under-  
10 taken in consultation with professionals representing ap-  
11 propriate disciplines.

12 (b) STUDY COMPONENTS.—The study described in  
13 subsection (a) shall include—

14 (1) an initial phase examining the appropriate-  
15 ness of, and making recommendations regarding—

16 (A) the definitions of disability in effect on  
17 the date of the enactment of this Act and the  
18 advantages and disadvantages of alternative  
19 definitions; and

20 (B) the operation of the disability deter-  
21 mination process, including the appropriate  
22 method of performing comprehensive assess-  
23 ments of individuals under age 18 with physical  
24 and mental impairments;

25 (2) a second phase, which may be concurrent  
26 with the initial phase, examining the validity, reli-

1 ability, and consistency with current scientific knowl-  
2 edge of the standards and individual listings in the  
3 Listing of Impairments set forth in appendix 1 of  
4 subpart P of part 404 of title 20, Code of Federal  
5 Regulations, and of related evaluation procedures as  
6 promulgated by the Commissioner of Social Security;  
7 and

8 (3) such other issues as the applicable entity  
9 considers appropriate.

10 (c) REPORTS AND REGULATIONS.—

11 (1) REPORTS.—The Commissioner of Social Se-  
12 curity shall request the applicable entity, to submit  
13 an interim report and a final report of the findings  
14 and recommendations resulting from the study de-  
15 scribed in this section to the President and the Con-  
16 gress not later than 18 months and 24 months, re-  
17 spectively, from the date of the contract for such  
18 study, and such additional reports as the Commis-  
19 sioner deems appropriate after consultation with the  
20 applicable entity.

21 (2) REGULATIONS.—The Commissioner of So-  
22 cial Security shall review both the interim and final  
23 reports, and shall issue regulations implementing  
24 any necessary changes following each report.

1 **SEC. 624. STUDY BY GENERAL ACCOUNTING OFFICE.**

2 Not later than January 1, 1998, the Comptroller  
3 General of the United States shall study and report on  
4 the impact of the amendments made by, and the provi-  
5 sions of, this title on the supplemental security income  
6 program under title XVI of the Social Security Act.

7 **Subtitle D—National Commission**  
8 **on the Future of Disability**

9 **SEC. 631. ESTABLISHMENT.**

10 There is established a commission to be known as the  
11 National Commission on the Future of Disability (referred  
12 to in this subtitle as the “Commission”), the expenses of  
13 which shall be paid from funds otherwise appropriated for  
14 the Social Security Administration.

15 **SEC. 632. DUTIES OF THE COMMISSION.**

16 (a) IN GENERAL.—The Commission shall develop  
17 and carry out a comprehensive study of all matters related  
18 to the nature, purpose, and adequacy of all Federal pro-  
19 grams serving individuals with disabilities. In particular,  
20 the Commission shall study the disability insurance pro-  
21 gram under title II of the Social Security Act and the sup-  
22 plemental security income program under title XVI of  
23 such Act.

24 (b) MATTERS STUDIED.—The Commission shall pre-  
25 pare an inventory of Federal programs serving individuals  
26 with disabilities, and shall examine—

1           (1) trends and projections regarding the size  
2           and characteristics of the population of individuals  
3           with disabilities, and the implications of such analy-  
4           ses for program planning;

5           (2) the feasibility and design of performance  
6           standards for the Nation's disability programs;

7           (3) the adequacy of Federal efforts in rehabili-  
8           tation research and training, and opportunities to  
9           improve the lives of individuals with disabilities  
10          through all manners of scientific and engineering re-  
11          search; and

12          (4) the adequacy of policy research available to  
13          the Federal Government, and what actions might be  
14          undertaken to improve the quality and scope of such  
15          research.

16          (c) RECOMMENDATIONS.—The Commission shall  
17          submit to the appropriate committees of the Congress and  
18          to the President recommendations and, as appropriate,  
19          proposals for legislation, regarding—

20               (1) which (if any) Federal disability programs  
21               should be eliminated or augmented;

22               (2) what new Federal disability programs (if  
23               any) should be established;

1           (3) the suitability of the organization and loca-  
2           tion of disability programs within the Federal Gov-  
3           ernment;

4           (4) other actions the Federal Government  
5           should take to prevent disabilities and disadvantages  
6           associated with disabilities; and

7           (5) such other matters as the Commission con-  
8           siders appropriate.

9   **SEC. 633. MEMBERSHIP.**

10       (a) NUMBER AND APPOINTMENT.—

11           (1) IN GENERAL.—The Commission shall be  
12       composed of 15 members, of whom—

13               (A) five shall be appointed by the Presi-  
14               dent, of whom not more than 3 shall be of the  
15               same major political party;

16               (B) three shall be appointed by the Major-  
17               ity Leader of the Senate;

18               (C) two shall be appointed by the Minority  
19               Leader of the Senate;

20               (D) three shall be appointed by the Speak-  
21               er of the House of Representatives; and

22               (E) two shall be appointed by the Minority  
23               Leader of the House of Representatives.

24           (2) REPRESENTATION.—The Commission mem-  
25       bers shall be chosen based on their education, train-



1       ing, or experience. In appointing individuals as  
2       members of the Commission, the President and the  
3       Majority and Minority Leaders of the Senate and  
4       the Speaker and Minority Leader of the House of  
5       Representatives shall seek to ensure that the mem-  
6       bership of the Commission reflects the diversity of  
7       individuals with disabilities in the United States.

8       (b) COMPTROLLER GENERAL.—The Comptroller  
9       General shall serve on the Commission as an ex officio  
10      member of the Commission to advise and oversee the  
11      methodology and approach of the study of the Commis-  
12      sion.

13      (c) PROHIBITION AGAINST OFFICER OR EM-  
14      PLOYEE.—No officer or employee of any government shall  
15      be appointed under subsection (a).

16      (d) DEADLINE FOR APPOINTMENT; TERM OF AP-  
17      POINTMENT.—Members of the Commission shall be ap-  
18      pointed not later than 60 days after the date of the enact-  
19      ment of this Act. The members shall serve on the Commis-  
20      sion for the life of the Commission.

21      (e) MEETINGS.—The Commission shall locate its  
22      headquarters in the District of Columbia, and shall meet  
23      at the call of the Chairperson, but not less than 4 times  
24      each year during the life of the Commission.

1 (f) QUORUM.—Ten members of the Commission shall  
2 constitute a quorum, but a lesser number may hold hear-  
3 ings.

4 (g) CHAIRPERSON AND VICE CHAIRPERSON.—Not  
5 later than 15 days after the members of the Commission  
6 are appointed, such members shall designate a Chair-  
7 person and Vice Chairperson from among the members of  
8 the Commission.

9 (h) CONTINUATION OF MEMBERSHIP.—If a member  
10 of the Commission becomes an officer or employee of any  
11 government after appointment to the Commission, the in-  
12 dividual may continue as a member until a successor mem-  
13 ber is appointed.

14 (i) VACANCIES.—A vacancy on the Commission shall  
15 be filled in the manner in which the original appointment  
16 was made not later than 30 days after the Commission  
17 is given notice of the vacancy.

18 (j) COMPENSATION.—Members of the Commission  
19 shall receive no additional pay, allowances, or benefits by  
20 reason of their service on the Commission.

21 (k) TRAVEL EXPENSES.—Each member of the Com-  
22 mission shall receive travel expenses, including per diem  
23 in lieu of subsistence, in accordance with sections 5702  
24 and 5703 of title 5, United States Code.

1 **SEC. 634. STAFF AND SUPPORT SERVICES.**

2 (a) DIRECTOR.—

3 (1) APPOINTMENT.—Upon consultation with  
4 the members of the Commission, the Chairperson  
5 shall appoint a Director of the Commission.

6 (2) COMPENSATION.—The Director shall be  
7 paid the rate of basic pay for level V of the Execu-  
8 tive Schedule.

9 (b) STAFF.—With the approval of the Commission,  
10 the Director may appoint such personnel as the Director  
11 considers appropriate.

12 (c) APPLICABILITY OF CIVIL SERVICE LAWS.—The  
13 staff of the Commission shall be appointed without regard  
14 to the provisions of title 5, United States Code, governing  
15 appointments in the competitive service, and shall be paid  
16 without regard to the provisions of chapter 51 and sub-  
17 chapter III of chapter 53 of such title relating to classi-  
18 fication and General Schedule pay rates.

19 (d) EXPERTS AND CONSULTANTS.—With the ap-  
20 proval of the Commission, the Director may procure tem-  
21 porary and intermittent services under section 3109(b) of  
22 title 5, United States Code.

23 (e) STAFF OF FEDERAL AGENCIES.—Upon the re-  
24 quest of the Commission, the head of any Federal agency  
25 may detail, on a reimbursable basis, any of the personnel

1 of such agency to the Commission to assist in carrying  
2 out the duties of the Commission under this subtitle.

3 (f) OTHER RESOURCES.—The Commission shall have  
4 reasonable access to materials, resources, statistical data,  
5 and other information from the Library of Congress and  
6 agencies and elected representatives of the executive and  
7 legislative branches of the Federal Government. The  
8 Chairperson of the Commission shall make requests for  
9 such access in writing when necessary.

10 (g) PHYSICAL FACILITIES.—The Administrator of  
11 the General Services Administration shall locate suitable  
12 office space for the operation of the Commission. The fa-  
13 cilities shall serve as the headquarters of the Commission  
14 and shall include all necessary equipment and incidentals  
15 required for proper functioning of the Commission.

16 **SEC. 635. POWERS OF COMMISSION.**

17 (a) HEARINGS.—The Commission may conduct pub-  
18 lic hearings or forums at the discretion of the Commission,  
19 at any time and place the Commission is able to secure  
20 facilities and witnesses, for the purpose of carrying out  
21 the duties of the Commission under this subtitle.

22 (b) DELEGATION OF AUTHORITY.—Any member or  
23 agent of the Commission may, if authorized by the Com-  
24 mission, take any action the Commission is authorized to  
25 take by this section.

1 (c) INFORMATION.—The Commission may secure di-  
2 rectly from any Federal agency information necessary to  
3 enable the Commission to carry out its duties under this  
4 subtitle. Upon request of the Chairperson or Vice Chair-  
5 person of the Commission, the head of a Federal agency  
6 shall furnish the information to the Commission to the ex-  
7 tent permitted by law.

8 (d) GIFTS, BEQUESTS, AND DEVISES.—The Commis-  
9 sion may accept, use, and dispose of gifts, bequests, or  
10 devices of services or property, both real and personal, for  
11 the purpose of aiding or facilitating the work of the Com-  
12 mission. Gifts, bequests, or devises of money and proceeds  
13 from sales of other property received as gifts, bequests,  
14 or devices shall be deposited in the Treasury and shall be  
15 available for disbursement upon order of the Commission.

16 (e) MAILS.—The Commission may use the United  
17 States mails in the same manner and under the same con-  
18 ditions as other Federal agencies.

19 **SEC. 636. REPORTS.**

20 (a) INTERIM REPORT.—Not later than 1 year prior  
21 to the date on which the Commission terminates pursuant  
22 to section 637, the Commission shall submit an interim  
23 report to the President and to the Congress. The interim  
24 report shall contain a detailed statement of the findings  
25 and conclusions of the Commission, together with the

1 Commission's recommendations for legislative and admin-  
2 istrative action, based on the activities of the Commission.

3 (b) FINAL REPORT.—Not later than the date on  
4 which the Commission terminates, the Commission shall  
5 submit to the Congress and to the President a final report  
6 containing—

7 (1) a detailed statement of final findings, con-  
8 clusions, and recommendations; and

9 (2) an assessment of the extent to which rec-  
10 ommendations of the Commission included in the in-  
11 terim report under subsection (a) have been imple-  
12 mented.

13 (c) PRINTING AND PUBLIC DISTRIBUTION.—Upon  
14 receipt of each report of the Commission under this sec-  
15 tion, the President shall—

16 (1) order the report to be printed; and

17 (2) make the report available to the public upon  
18 request.

19 **SEC. 637. TERMINATION.**

20 The Commission shall terminate on the date that is  
21 2 years after the date on which the members of the Com-  
22 mission have met and designated a Chairperson and Vice  
23 Chairperson.

## TITLE VII—PROVISIONS RELATING TO SPONSORS

### SEC. 701. UNIFORM ALIEN ELIGIBILITY CRITERIA FOR PUBLIC ASSISTANCE PROGRAMS.

(a) FEDERAL AND FEDERALLY-ASSISTED PROGRAMS.—

(1) PROGRAM ELIGIBILITY CRITERIA.—

(A) TEMPORARY EMPLOYMENT ASSISTANCE.—

(i) IN GENERAL.—Section 402(c) of the Social Security Act, as added by section 101(a) and amended by section 401, is amended by redesignating paragraphs (2) through (7) as paragraphs (3) through (8), and by inserting after paragraph (1) the following new paragraph:

“(2) ALIEN STATUS.—In determining the eligibility of a family for assistance, the State plan shall provide that no assistance shall be furnished to any family member under the plan who is not—

“(A) a citizen or national of the United States, or

“(B) a qualified alien (as defined in section 1101(a)(10)), provided that such alien is not disqualified from receiving assistance under the

1 State plan by or pursuant to section 210(f) or  
 2 245A(h) of the Immigration and Nationality  
 3 Act or any other provision of law.”.

4 (ii) CONFORMING AMENDMENT.—Sec-  
 5 tion 402(d)(1) of the Social Security Act,  
 6 as added by section 101(a), is amended by  
 7 striking “any individual” and inserting  
 8 “any individual (including any family  
 9 member described in subsection (c)(2))”.

10 (B) SUPPLEMENTAL SECURITY INCOME.—  
 11 Section 1614(a)(1)(B)(i) (42 U.S.C.  
 12 1382c(a)(1)(B)(i)) is amended to read as fol-  
 13 lows:

14 “(B)(i) is a resident of the United States, and  
 15 is either (I) a citizen or national of the United  
 16 States, or (II) a qualified alien (as defined in section  
 17 1101(a)(10)), or”.

18 (C) MEDICAID—

19 (i) IN GENERAL.—Section 1903(v)(1)  
 20 (42 U.S.C. 1396b(v)(1)) is amended to  
 21 read as follows:

22 “(v)(1) Notwithstanding the preceding provisions of  
 23 this section—

24 “(A) no payment may be made to a State under  
 25 this section for medical assistance furnished to an



1 individual who is disqualified from receiving such as-  
 2 sistance by or pursuant to section 210(f) or 245A(h)  
 3 of the Immigration and Nationality Act or any other  
 4 provision of law, and

5 “(B) except as provided in paragraph (2), no  
 6 such payment may be made for medical assistance  
 7 furnished to an individual who is not—

8 “(i) a citizen or national of the United  
 9 States, or

10 “(ii) a qualified alien (as defined in section  
 11 1101(a)(10)).”.

12 (ii) CONFORMING AMENDMENTS.—

13 (I) Section 1903(v)(2) (42  
 14 U.S.C. 1396b(v)(2)) is amended by  
 15 striking “paragraph (1)” and insert-  
 16 ing “paragraph (1)(B)”, and by strik-  
 17 ing “alien” each place it appears and  
 18 inserting “individual”.

19 (II) Section 1902(a) (42 U.S.C.  
 20 1396a(a)) is amended in the last sen-  
 21 tence by striking “alien” and all that  
 22 follows and inserting “individual who  
 23 is not (A) a citizen or national of the  
 24 United States, or (B) a qualified alien  
 25 (as defined in section 1101(a)(10))

1                   only in accordance with section  
2                   1903(v).”.

3                   (III) Section 1902(b)(3) (42  
4                   U.S.C. 1396a(b)(3)) is amended by  
5                   inserting “or national” after “citi-  
6                   zen”.

7                   (2) QUALIFIED ALIEN DEFINED.—Section  
8                   1101(a) (42 U.S.C. 1301(a)) is amended by adding  
9                   at the end the following new paragraph:

10                  “(10) The term ‘qualified alien’ means an  
11                  alien—

12                       “(A) who is lawfully admitted for perma-  
13                       nent residence within the meaning of section  
14                       101(a)(20) of the Immigration and Nationality  
15                       Act;

16                       “(B) who is admitted as a refugee pursu-  
17                       ant to section 207 of such Act;

18                       “(C) who is granted asylum pursuant to  
19                       section 208 of such Act;

20                       “(D) whose deportation is withheld pursu-  
21                       ant to section 243(h) of such Act;

22                       “(E) whose deportation is suspended pur-  
23                       suant to section 244 of such Act;

1           “(F) who is granted conditional entry pur-  
2           suant to section 203(a)(7) of such Act as in ef-  
3           fect prior to April 1, 1980;

4           “(G) who is lawfully admitted for tem-  
5           porary residence pursuant to section 210 or  
6           245A of such Act;

7           “(H) who is within a class of aliens law-  
8           fully present within the United States pursuant  
9           to any other provision of such Act, provided  
10          that—

11               “(i) the Attorney General determines  
12               that the continued presence of such class  
13               of aliens serves a humanitarian or other  
14               compelling public interest, and

15               “(ii) the Secretary determines that  
16               such interest would be further served by  
17               treating each alien within such class as a  
18               ‘qualified alien’ for purposes of this Act; or

19           “(I) who is the spouse or unmarried child  
20           under 21 years of age of a citizen of the United  
21           States, or the parent of such a citizen if the cit-  
22           izen is 21 years of age or older, and with re-  
23           spect to whom an application for adjustment to  
24           lawful permanent residence is pending;

25          such status not having changed.”.

1           (3) CONFORMING AMENDMENT.—Section  
 2       244A(f)(1) of the Immigration and Nationality Act  
 3       (8 U.S.C. 1254a(f)(1)) is amended by inserting “and  
 4       shall not be considered to be a ‘qualified alien’ with-  
 5       in the meaning of section 1101(a)(10) of the Social  
 6       Security Act” immediately before the semicolon.

7       (b) STATE AND LOCAL PROGRAMS.—A State or polit-  
 8       ical subdivision therein may provide that an alien is not  
 9       eligible for any program of assistance based on need that  
 10      is furnished by such State or political subdivision unless  
 11      such alien is a “qualified alien” within the meaning of sec-  
 12      tion 1101(a)(10) of the Social Security Act (as added by  
 13      subsection (a)(2) of this section).

14      (c) EFFECTIVE DATE.—

15           (1) The amendments made by subsection (a)  
 16      shall apply with respect to benefits payable on the  
 17      basis of any application filed after September 30,  
 18      1995.

19           (2) Subsection (b) shall take effect on October  
 20      1, 1995.

21 **SEC. 702. EXTENSION OF DEEMING OF INCOME AND RE-**  
 22 **SOURCES UNDER TEA, SSI, AND FOOD STAMP**  
 23 **PROGRAMS.**

24           (a) IN GENERAL.—Except as provided in subsections  
 25      (b) and (c), in applying section 1621 of the Social Security

1 Act and section 5(i) of the Food Stamp Act of 1977, the  
2 period in which each respective section otherwise applies  
3 with respect to an alien shall be extended through the date  
4 (if any) on which the alien becomes a citizen of the United  
5 States under chapter 2 of title III of the Immigration and  
6 Nationality Act.

7 (b) EXCLUSION.—Notwithstanding sections 414 and  
8 1621 of the Social Security Act and section 5(i) of the  
9 Food Stamp Act of 1977, the income and resources of a  
10 sponsor or sponsor’s spouse shall not be deemed to an  
11 alien if—

12 (1) the alien—

13 (A) is a veteran (as defined in section 101  
14 of title 38, United States Code) with a dis-  
15 charge characterized as an honorable discharge,

16 (B) is on active duty (other than active  
17 duty for training) in the Armed Forces of the  
18 United States, or

19 (C) is the spouse or unmarried dependent  
20 child of an individual described in subparagraph  
21 (A) or (B);

22 (2) the alien is the subject of domestic violence  
23 or has been battered or subjected to extreme cruelty  
24 by a family member in the United States; or

1           (3) there has been paid with respect to the self-  
 2           employment income or employment of the alien, or  
 3           of a parent or spouse of the alien, taxes under chap-  
 4           ter 2 or chapter 21 of the Internal Revenue Code of  
 5           1986 in each of 20 different calendar quarters.

6           (c) HOLD HARMLESS FOR MEDICAID ELIGIBILITY.—  
 7           Subsection (a) shall not apply with respect to determina-  
 8           tions of eligibility for benefits under part A of title IV of  
 9           the Social Security Act or under the supplemental income  
 10          security program under title XVI of such Act but only in-  
 11          sofar as such determinations provide for eligibility for  
 12          medical assistance under title XIX of such Act.

13          (d) EFFECTIVE DATE.—This section shall take effect  
 14          on October 1, 1995.

15   **SEC. 703. REQUIREMENTS FOR SPONSOR'S AFFIDAVITS OF**  
 16                                   **SUPPORT.**

17          (a) IN GENERAL.—Title II of the Immigration and  
 18          Nationality Act is amended by inserting after section 213  
 19          the following new section:

20    “REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT  
 21    “SEC. 213A. (a) ENFORCEABILITY.—

22           “(1) IN GENERAL.—No affidavit of support  
 23           may be accepted by the Attorney General or by any  
 24           consular officer to establish that an alien is not ex-  
 25           cludable under section 212(a)(4) unless such affida-  
 26           vit is executed as a contract—

1           “(A) which, for not more than 5 years  
2           after the date the alien last receives any such  
3           cash benefit, is legally enforceable against the  
4           sponsor by the Federal Government, by a State,  
5           or by any political subdivision of a State, pro-  
6           viding cash benefits under a public cash assist-  
7           ance program (as defined in subsection (f)(2));  
8           and

9           “(B) in which the sponsor agrees to submit  
10          to the jurisdiction of any Federal or State court  
11          for the purpose of actions brought under sub-  
12          section (e)(2).

13          “(2) EXPIRATION OF LIABILITY.—Such con-  
14          tract shall only apply with respect to cash benefits  
15          described in paragraph (1)(A) provided to an alien  
16          before the earliest of the following:

17               “(A) CITIZENSHIP.—The date the alien be-  
18               comes a citizen of the United States under  
19               chapter 2 of title III.

20               “(B) VETERAN.—The first date the alien  
21               is a veteran (as defined in section 101 of title  
22               38, United States Code) with a discharge char-  
23               acterized as an honorable discharge.

24               “(C) PAYMENT OF SOCIAL SECURITY  
25               TAXES.—The first date as of which there has

1           been paid with respect to the self-employment  
2           income or employment of the alien, or of a par-  
3           ent or spouse of the alien, taxes under chapter  
4           2 or chapter 21 of the Internal Revenue Code  
5           of 1986 in each of 20 different calendar quar-  
6           ters.

7           “(3) NONAPPLICATION DURING CERTAIN PERI-  
8           ODS.—Such contract also shall not apply with re-  
9           spect to cash benefits described in paragraph (1)(A)  
10          provided during any period in which the alien is—

11               “(A) on active duty (other than active duty  
12               for training) in the Armed Forces of the United  
13               States, or

14               “(B) the spouse or unmarried dependent  
15               child of an individual described in paragraph  
16               (2)(A) or subparagraph (A) of this paragraph;

17          “(b) FORMS.—Not later than 90 days after the date  
18          of the enactment of this section, the Attorney General, in  
19          consultation with the Secretary of State and the Secretary  
20          of Health and Human Services, shall formulate an affida-  
21          vit of support consistent with the provisions of this sec-  
22          tion.

23          “(c) NOTIFICATION OF CHANGE OF ADDRESS.—

24               “(1) REQUIREMENT.—The sponsor shall notify  
25          the Federal Government and the State in which the



1 sponsored alien is currently resident within 30 days  
2 of any change of address of the sponsor during the  
3 period specified in subsection (a)(1)(A).

4 “(2) ENFORCEMENT.—Any person subject to  
5 the requirement of paragraph (1) who fails to satisfy  
6 such requirement shall be subject to a civil penalty  
7 of—

8 “(A) not less than \$250 or more than  
9 \$2,000, or

10 “(B) if such failure occurs with knowledge  
11 that the sponsored alien has received any bene-  
12 fit under any means-tested public benefits pro-  
13 gram, not less than \$2,000 or more than  
14 \$5,000.

15 “(d) REIMBURSEMENT OF GOVERNMENT EX-  
16 PENSES.—

17 “(1) REQUEST FOR REIMBURSEMENT.—

18 “(A) IN GENERAL.—Upon notification that  
19 a sponsored alien has received any cash benefits  
20 described in subsection (a)(1)(A), the appro-  
21 priate Federal, State, or local official shall re-  
22 quest reimbursement by the sponsor in the  
23 amount of such cash benefits.

24 “(B) REGULATIONS.—The Attorney Gen-  
25 eral, in consultation with the Secretary of

1 Health and Human Services, shall prescribe  
2 such regulations as may be necessary to carry  
3 out subparagraph (A).

4 “(2) INITIATION OF ACTION.—If, not later than  
5 45 days after requesting reimbursement, the appro-  
6 priate Federal, State, or local agency has not re-  
7 ceived a response from the sponsor indicating a will-  
8 ingness to commence payments, an action may be  
9 brought against the sponsor pursuant to the affida-  
10 vit of support.

11 “(3) FAILURE TO ABIDE BY REPAYMENT  
12 TERMS.—If the sponsor fails to abide by the repay-  
13 ment terms established by such agency, the agency  
14 may, not later than 60 days after such failure, bring  
15 an action against the sponsor pursuant to the affida-  
16 vit of support.

17 “(4) LIMITATION ON ACTIONS.—No cause of  
18 action may be brought under this subsection later  
19 than 5 years after the date the alien last received  
20 any cash benefit described in subsection (a)(1)(A).

21 “(f) DEFINITIONS.—For the purposes of this section:

22 “(1) SPONSOR.—The term ‘sponsor’ means an  
23 individual who—

1           “(A) is a citizen or national of the United  
2           States or an alien who is lawfully admitted to  
3           the United States for permanent residence;

4           “(B) is 18 years of age or over; and

5           “(C) is domiciled in any State.

6           “(2) PUBLIC CASH ASSISTANCE PROGRAM.—

7           The term ‘public cash assistance program’ means a  
8           program of the Federal Government or of a State or  
9           political subdivision of a State that provides direct  
10          cash assistance for the purpose of income mainte-  
11          nance and in which the eligibility of an individual,  
12          household, or family eligibility unit for cash benefits  
13          under the program, or the amount of such cash ben-  
14          efits, or both are determined on the basis of income,  
15          resources, or financial need of the individual, house-  
16          hold, or unit. Such term does not include any pro-  
17          gram insofar as it provides medical, housing, edu-  
18          cation, job training, food, or in-kind assistance or  
19          social services.’’.

20          (b) CLERICAL AMENDMENT.—The table of contents  
21          of such Act is amended by inserting after the item relating  
22          to section 213 the following:

          “Sec. 213A. Requirements for sponsor’s affidavit of support.”.

23          (c) EFFECTIVE DATE.—Subsection (a) of section  
24          213A of the Immigration and Nationality Act, as added  
25          by subsection (a) of this section, shall apply to affidavits

1 of support executed on or after a date specified by the  
 2 Attorney General, which date shall be not earlier than 60  
 3 days (and not later than 90 days) after the date the Attor-  
 4 ney General formulates the form for such affidavits under  
 5 subsection (b) of such section 213A.

6 **SEC. 704. EXTENDING REQUIREMENT FOR AFFIDAVITS OF**  
 7 **SUPPORT TO FAMILY-RELATED AND DIVER-**  
 8 **SITY IMMIGRANTS.**

9 (A) IN GENERAL.—Section 212(a)(4) of the Immi-  
 10 gration and Nationality Act (8 U.S.C. 1182(a)(4)) is  
 11 amended to read as follows:

12 “(4) PUBLIC CHARGE AND AFFIDAVITS OF SUP-  
 13 PORT.—

14 “(A) PUBLIC CHARGE.—Any alien who, in  
 15 the opinion of the consular officer at the time  
 16 of application for a visa, or in the opinion of  
 17 the Attorney General at the time of application  
 18 for admission or adjustment of status, is likely  
 19 at any time to become a public charge is exclud-  
 20 able.

21 “(B) AFFIDAVITS OF SUPPORT.—Any im-  
 22 migrant who seeks admission or adjustment of  
 23 status as any of the following is excludable un-  
 24 less there has been executed with respect to the

1 immigrant an affidavit of support pursuant to  
2 section 213A:

3 “(i) As an immediate relative (under  
4 section 201(b)(2)).

5 “(ii) As a family-sponsored immigrant  
6 under section 203(a) (or as the spouse or  
7 child under section 203(d) of such an im-  
8 migrant).

9 “(iii) As the spouse or child (under  
10 section 203(d)) of an employment-based  
11 immigrant under section 203(b).

12 “(iv) As a diversity immigrant under  
13 section 203(c) (or as the spouse or child  
14 under section 203(d) of such an immi-  
15 grant).”.

16 (b) EFFECTIVE DATE.—The amendment made by  
17 subsection (a) shall apply to aliens with respect to whom  
18 an immigrant visa is issued (or adjustment of status is  
19 granted) after the date specified by the Attorney General  
20 under section 703(c).

1 **TITLE VIII—FOOD STAMP PRO-**  
 2 **GRAM INTEGRITY AND RE-**  
 3 **FORM.**

4 **SEC. 801. REFERENCES TO THE FOOD STAMP ACT OF 1977.**

5 Except as otherwise expressly provided, wherever in  
 6 this title an amendment or repeal is expressed in terms  
 7 of an amendment to, or repeal of, a section or other provi-  
 8 sion, the reference shall be considered to be made to a  
 9 section or other provision of the Food Stamp Act of 1977  
 10 (7 U.S.C. 2011 et seq.).

11 **SEC. 802. CERTIFICATION PERIOD.**

12 (a) DEFINITION.—Section 3 (7 U.S.C. 2012(c)) is  
 13 amended by striking subsection (c) and inserting the fol-  
 14 lowing:

15 “(c) CERTIFICATION PERIOD.—The term ‘certifi-  
 16 cation period’ means the period specified by the State  
 17 agency for which a household shall be eligible to receive  
 18 an authorization card, except that the period shall be—

19 “(1) not more than 24 months for a household  
 20 in which all adult members are elderly or disabled  
 21 members; and

22 “(2) not more than 12 months for another  
 23 household.”.

24 (b) REPORTING ON RESERVATIONS.—Section  
 25 6(c)(1)(C) (7 U.S.C. 2015(c)(1)(C)) is amended—

1 (1) in clause (ii), by adding “and” at the end;

2 (2) in clause (iii), by striking “; and” at the

3 end and inserting a period; and

4 (3) by striking clause (iv).

5 **SEC. 803. EXPANDED DEFINITION OF COUPON.**

6 Section 3(d) (7 U.S.C. 2012(d)) is amended by strik-  
7 ing “or type of certificate” and inserting “type of certifi-  
8 cate, authorization card, cash or check issued as a coupon,  
9 or an access device, including an electronic benefits trans-  
10 fer card or a personal identification number,”.

11 **SEC. 804. TREATMENT OF MINORS.**

12 The second sentence of section 3(i) (7 U.S.C.  
13 2012(i)) is amended by striking “(who are not themselves  
14 parents living with their children or married and living  
15 with their spouses)”.

16 **SEC. 805. ADJUSTMENT TO THRIFTY FOOD PLAN.**

17 The second sentence of section 3(o) (7 U.S.C.  
18 2012(o)) is amended—

19 (1) by striking “shall (1) make” and inserting  
20 the following: “shall—

21 “(1) make”;

22 (2) by striking “scale, (2) make” and inserting  
23 “scale;

24 “(2) make”;

1           (3) by striking “Alaska, (3) make” and insert-  
2           ing the following: “Alaska;  
3           “(3) make”; and  
4           (4) by striking “Columbia, (4) through” and all  
5           that follows through the end of the subsection and  
6           inserting the following: “Columbia; and  
7           “(4) on October 1, 1995, and each October 1  
8           thereafter, adjust the cost of the diet to reflect the  
9           cost of the diet, in the preceding June, and round  
10          the result to the nearest lower dollar increment for  
11          each household size.”.

12 **SEC. 806. EARNINGS OF CERTAIN HIGH SCHOOL STUDENTS**  
13 **COUNTED AS INCOME.**

14          Section 5(d)(7) (7 U.S.C. 2014(d)(7)) is amended by  
15          striking “21” and inserting “18”.

16 **SEC. 807. ENERGY ASSISTANCE COUNTED AS INCOME.**

17          (a) **LIMITING EXCLUSION.**—Section 5(d)(11) (7  
18          U.S.C. 2014(d)(11)) is amended—

19               (1) by striking “(A) under any Federal law, or  
20               (B)”;

21               (2) by inserting before the comma at the end  
22               the following: “, except that no benefits provided  
23               under the State program under part A of title IV of  
24               the Social Security Act (42 U.S.C. 601 et seq.) shall  
25               be excluded under this clause”.



1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 5(e) (7 U.S.C. 2014(e)) is amended  
3 by striking sentences nine through twelve.

4 (2) Section 5(k)(2) (7 U.S.C. 2014(k)(2)) is  
5 amended by striking subparagraph (C) and redesignig-  
6 nating subparagraphs (D) through (H) as subpara-  
7 graphs (C) through (G), respectively.

8 (3) Section 5(k) (7 U.S.C. 2014(k)) is amended  
9 by adding at the end the following new paragraph:  
10 “(4) For purposes of subsection (d)(1), any payments  
11 or allowances made under any Federal or State law for  
12 the purposes of energy assistance shall be treated as  
13 money payable directly to the household.”.

14 (4) Section 2605(f) of the Low-Income Home  
15 Energy Assistance Act of 1981 (42 U.S.C. 8634(f))  
16 is amended—

17 (A) in paragraph (1), by striking “food  
18 stamps”;

19 (B) by striking “(f)(1) Notwithstanding”  
20 and inserting “(f) Notwithstanding”; and

21 (C) by striking paragraph (2).

22 **SEC. 808. EXCLUSION OF CERTAIN JTPA INCOME.**

23 Section 5 (7 U.S.C. 2014) is amended—

24 (1) in subsection (d)—

1 (A) by striking “and (16)” and inserting  
 2 “(16)”; and

3 (B) by inserting before the period at the  
 4 end the following: “, and (17) income received  
 5 under the Job Training Partnership Act (29  
 6 U.S.C. 1501 et seq.) by a household member  
 7 who is less than 19 years of age”; and

8 (2) in subsection (I), by striking “under section  
 9 204(b)(1)(C)” and all that follows and inserting  
 10 “shall be considered earned income for purposes of  
 11 the food stamp program.”.

12 **SEC. 809. 2-YEAR FREEZE OF STANDARD DEDUCTION.**

13 The second sentence of section 5(e)(4) (7 U.S.C.  
 14 2014(e)(4)) is amended by inserting “, except October 1,  
 15 1995, and October 1, 1996” after “thereafter”.

16 **SEC. 810. ELIMINATION OF HOUSEHOLD ENTITLEMENT TO**  
 17 **SWITCH BETWEEN ACTUAL EXPENSES AND**  
 18 **ALLOWANCES DURING CERTIFICATION PE-**  
 19 **RIOD.**

20 The fourteenth sentence of section 5(e) (7 U.S.C.  
 21 2014(e)) (as in effect before the amendment made by sec-  
 22 tion 807) is amended by striking “and up to one additional  
 23 time during each twelve-month period”.

1 **SEC. 811. EXCLUSION OF LIFE INSURANCE PROCEEDS.**

2 Section 5(g) (7 U.S.C. 2014(g)) is amended by add-  
3 ing at the end the following:

4 “(6) LIFE INSURANCE POLICY.—The Secretary  
5 shall exclude from financial resources the cash value  
6 of any life insurance policy owned by a member of  
7 a household.”.

8 **SEC. 812. VENDOR PAYMENTS FOR TRANSITIONAL HOUS-**  
9 **ING COUNTED AS INCOME.**

10 Section 5(k)(2) (7 U.S.C. 2014(k)(2)), as amended  
11 by section 807(b)(2), is amended—

12 (1) by striking subparagraph (E); and

13 (2) by redesignating subparagraphs (F) and  
14 (G) as subparagraphs (E) and (F), respectively.

15 **SEC. 813. DOUBLED PENALTIES FOR VIOLATING FOOD**  
16 **STAMP PROGRAM REQUIREMENTS.**

17 Section 6(b)(1) (7 U.S.C. 2015(b)(1)) is amended—

18 (1) in clause (i)—

19 (A) by striking “six months upon” and in-  
20 serting “1 year on”; and

21 (B) by adding “and” at the end; and

22 (2) striking clauses (ii) and (iii) and inserting  
23 the following:

24 “(ii) permanently on—

25 “(I) the second occasion of any such deter-  
26 mination; or

“(II) the first occasion of a finding by a Federal, State, or local court of the trading for coupons of—

“(aa) a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)); or

“(bb) firearms, ammunition, or explosives.”.

**SEC. 814. STRENGTHENED WORK REQUIREMENTS.**

(a) IN GENERAL.—Section 6(d) (7 U.S.C. 2015(d)) is amended—

(1) by striking “(d)(1) Unless otherwise exempted by the provisions” and all that follows through the end of paragraph (1) and inserting the following:

“(d) CONDITIONS OF PARTICIPATION.—

“(1) WORK REQUIREMENTS.—

“(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

“(i) refuses, at the time of application and every 12 months thereafter, to register

1 for employment in a manner prescribed by  
2 the State agency;

3 “(ii) refuses without good cause to  
4 participate in an employment and training  
5 program under paragraph (4), to the ex-  
6 tent required under paragraph (4), includ-  
7 ing any reasonable employment require-  
8 ments prescribed by the State agency  
9 under paragraph (4);

10 “(iii) refuses without good cause to  
11 accept an offer of employment, at a site or  
12 plant not subject to a strike or lockout at  
13 the time of the refusal, at a wage that is  
14 not less than the higher of—

15 “(I) the applicable Federal or  
16 State minimum wage; or

17 “(II) 80 percent of the wage that  
18 would have governed had the mini-  
19 mum hourly rate under section  
20 6(a)(1) of the Fair Labor Standards  
21 Act of 1938 (29 U.S.C. 206(a)(1))  
22 been applicable to the offer of employ-  
23 ment; or

24 “(iv) voluntarily quits a job without  
25 good cause.

1           “(B) HOUSEHOLD INELIGIBILITY.—If an  
2 individual who is the head of a household be-  
3 comes ineligible to participate in the food stamp  
4 program under subparagraph (A), the house-  
5 hold shall, at the option of the State agency,  
6 become ineligible to participate in the food  
7 stamp program for a period not to exceed the  
8 period of the individual’s ineligibility.

9           “(C) DURATION OF INELIGIBILITY.—

10           “(i) FIRST REFUSAL.—The first time  
11 that an individual becomes ineligible to  
12 participate in the food stamp program  
13 under clause (i), (ii), or (iii) of subpara-  
14 graph (A), the individual shall remain in-  
15 eligible until the individual becomes eligible  
16 under this Act (including subparagraph  
17 (A)).

18           “(ii) SECOND REFUSAL.—The second  
19 time that an individual becomes ineligible  
20 to participate in the food stamp program  
21 under clause (i), (ii), or (iii) of subpara-  
22 graph (A), the individual shall remain in-  
23 eligible until the later of—

1           “(I) the date the individual be-  
2 comes eligible under this Act (includ-  
3 ing subparagraph (A)); or

4           “(II) the date that is 3 months  
5 after the date the individual became  
6 ineligible under subparagraph (A).

7           “(iii) THIRD OR SUBSEQUENT RE-  
8 FUSAL.—The third or subsequent time  
9 that an individual becomes ineligible to  
10 participate in the food stamp program  
11 under clause (i), (ii), or (iii) of subpara-  
12 graph (A), the individual shall remain in-  
13 eligible until the later of—

14           “(I) the date the individual be-  
15 comes eligible under this Act (includ-  
16 ing subparagraph (A)); or

17           “(II) the date that is 6 months  
18 after the date the individual became  
19 ineligible under subparagraph (A).

20           “(iv) VOLUNTARY QUIT.—On the date  
21 that an individual becomes ineligible under  
22 subparagraph (A)(iv), the individual shall  
23 remain ineligible until—

24           “(I) in the case of the first time  
25 the individual becomes ineligible, the

1 date that is 3 months after the date  
2 the individual became ineligible; and

3 “(II) in the case of the second or  
4 subsequent time the individual be-  
5 comes ineligible, the date that is 6  
6 months after the date the individual  
7 became ineligible.

8 “(D) ADMINISTRATION.—

9 “(i) BECOMING ELIGIBLE.—

10 “(I) WAITING PERIOD.—A State  
11 agency may consider an individual in-  
12 eligible to participate in the food  
13 stamp program not earlier than 14  
14 days after the date the individual be-  
15 comes ineligible to participate under  
16 clause (i), (ii), or (iii) of subparagraph  
17 (A).

18 “(II) REMAINING ELIGIBLE.—If  
19 an individual remains eligible to par-  
20 ticipate in the food stamp program  
21 under this Act (including subpara-  
22 graph (A)) at the end of the earliest  
23 date for ineligibility under subclause  
24 (I), the State agency shall consider  
25 the individual to have maintained eli-



1                   gibility during the period preceding  
2                   the earliest date for ineligibility.

3                   “(ii) GOOD CAUSE.—In this para-  
4                   graph, the term ‘good cause’ includes the  
5                   lack of adequate child care for a dependent  
6                   child under the age of 12.

7                   “(iii) STRIKE AGAINST THE GOVERN-  
8                   MENT.—For the purpose of subparagraph  
9                   (A)(iv), an employee of the Federal Gov-  
10                  ernment, a State, or a political subdivision  
11                  of a State, who is dismissed for participat-  
12                  ing in a strike against the Federal Govern-  
13                  ment, the State, or the political subdivision  
14                  of the State shall be considered to have  
15                  voluntarily quit without good cause.

16                  “(iv) SELECTING A HEAD OF HOUSE-  
17                  HOLD.—

18                  “(I) IN GENERAL.—For the pur-  
19                  pose of this paragraph, the State  
20                  agency shall allow the household to se-  
21                  lect any adult parent of a child in the  
22                  household as the head of the house-  
23                  hold if all adult members of the  
24                  household making application under

1 the food stamp program agree to the  
2 selection.

3 “(II) TIME FOR MAKING DES-  
4 IGNATION.—A household may des-  
5 ignate the head of the household  
6 under subclause (I) each time the  
7 household is certified for participation  
8 in the food stamp program. The  
9 household may not change the des-  
10 ignation during a certification period  
11 unless there is a change in the com-  
12 position of the household.

13 “(v) CHANGE IN HEAD OF HOUSE-  
14 HOLD.—If the head of a household leaves  
15 the household during a period in which the  
16 household is ineligible to participate in the  
17 food stamp program under subparagraph  
18 (B)—

19 “(I) the household shall, if other-  
20 wise eligible, become eligible to par-  
21 ticipate in the food stamp program;  
22 and

23 “(II) if the head of the household  
24 becomes the head of another house-  
25 hold, the household that becomes

1 headed by the individual shall become  
 2 ineligible to participate in the food  
 3 stamp program for the remaining pe-  
 4 riod of ineligibility.”; and

5 (2) in paragraph (4)(H)(i), by striking “The  
 6 Secretary” and all that follows through “State agen-  
 7 cy shall” and inserting “A State agency may”.

8 (b) WORKFARE.—Section 20(f) (7 U.S.C. 2029(f)) is  
 9 amended by striking “neither that” and all that follows  
 10 through “shall be eligible” and inserting “the person and,  
 11 at the option of a State agency, the household of which  
 12 the person is a member, shall be ineligible”.

13 (c) CONFORMING AMENDMENT.—The second sen-  
 14 tence of section 17(b)(2) (7 U.S.C. 2026(b)(2)) is amend-  
 15 ed by striking “6(d)(1)(i)” and inserting “6(d)(1)(A)(i)”.

16 **SEC. 815. WORK REQUIREMENT FOR ABLE-BODIED RECIPI-**  
 17 **ENTS.**

18 (a) IN GENERAL.—Section 6 (7 U.S.C. 2015) is  
 19 amended by adding at the end the following:

20 “(i) WORK REQUIREMENT.—

21 “(1) DEFINITION OF WORK PROGRAM.—In this  
 22 subsection, the term ‘work program’ means—

23 “(A) a program under the Job Training  
 24 Partnership Act (29 U.S.C. 1501 et seq.);

1           “(B) a program under section 236 of the  
2           Trade Act of 1974 (19 U.S.C. 2296); or

3           “(C) a program of employment or training  
4           operated or supervised by a State or local gov-  
5           ernment, as determined appropriate by the Sec-  
6           retary.

7           “(2) WORK REQUIREMENT.—No individual  
8           shall be eligible to participate in the food stamp pro-  
9           gram as a member of any household if, during the  
10          preceding 12 months, the individual received food  
11          stamp benefits for not less than 6 months during  
12          which the individual did not—

13               “(A) work 20 hours or more per week,  
14               averaged monthly;

15               “(B) participate in a workfare program  
16               under section 20 or a comparable State or local  
17               workfare program;

18               “(C) participate in and comply with the re-  
19               quirements of an approved employment and  
20               training program under subsection (d)(4); or

21               “(D) participate in and comply with the  
22               requirements of a work program for 20 hours  
23               or more per week.

24           “(3) EXCEPTION.—Paragraph (2) shall not  
25          apply to an individual if the individual is—

1 “(A) under 18 or over 50 years of age;

2 “(B) medically certified as physically or  
3 mentally unfit for employment;

4 “(C) a parent or other member of a house-  
5 hold with a dependent child under 18 years of  
6 age; or

7 “(D) otherwise exempt under subsection  
8 (d)(2).

9 “(4) WAIVER.—

10 “(A) IN GENERAL.—The Secretary may  
11 waive the applicability of paragraph (2) to any  
12 group of individuals in the State if the Sec-  
13 retary makes a determination that the area in  
14 which the individuals reside—

15 “(i) has an unemployment rate of over  
16 7 percent; or

17 “(ii) does not have a sufficient num-  
18 ber of jobs to provide employment for the  
19 individuals.

20 “(B) REPORT.—The Secretary shall report  
21 the basis for a waiver under subparagraph (A)  
22 to the Committee on Agriculture of the House  
23 of Representatives and the Committee on Agri-  
24 culture, Nutrition, and Forestry of the Sen-  
25 ate.”.

1       (b) WORK AND TRAINING PROGRAMS.—Section  
2 6(d)(4) (7 U.S.C. 2015(d)(4)) is amended by adding at  
3 the end the following:

4               “(O) REQUIRED PARTICIPATION IN WORK  
5 AND TRAINING PROGRAMS.—A State agency  
6 shall provide an opportunity to participate in  
7 the employment and training program under  
8 this paragraph to any individual who would oth-  
9 erwise become subject to disqualification under  
10 subsection (i).

11              “(P) COORDINATING WORK REQUIRE-  
12 MENTS.—

13              “(i) IN GENERAL.—Notwithstanding  
14 any other provision of this paragraph, a  
15 State agency that meets the participation  
16 requirements of clause (ii) may operate the  
17 employment and training program of the  
18 State for individuals who are members of  
19 households receiving allotments under this  
20 Act as part of a program operated by the  
21 State under part F of title IV of the Social  
22 Security Act (42 U.S.C. 681 et seq.), sub-  
23 ject to the requirements of the Act.

24              “(ii) PARTICIPATION REQUIRE-  
25 MENTS.—A State agency may exercise the

1 option under clause (i) if the State agency  
2 provides an opportunity to participate in  
3 an approved employment and training pro-  
4 gram to an individual who is—

5 “(I) subject to subsection (i);

6 “(II) not employed at least an  
7 average of 20 hours per week;

8 “(III) not participating in a  
9 workfare program under section 20  
10 (or a comparable State or local pro-  
11 gram); and

12 “(IV) not subject to a waiver  
13 under subsection (i)(4).”.

14 (c) ENHANCED EMPLOYMENT AND TRAINING PRO-  
15 GRAM.—Section 16(h)(1) (7 U.S.C. 2025(h)(1)) is amend-  
16 ed—

17 (1) in subparagraph (A), by striking  
18 “\$75,000,000 for each of the fiscal years 1991  
19 through 1995” and inserting “\$150,000,000 for  
20 each of fiscal years 1996 through 2000”;

21 (2) by striking subparagraphs (B), (C), (E),  
22 and (F);

23 (3) by redesignating subparagraph (D) as sub-  
24 paragraph (B); and

1           (4) in subparagraph (B) (as redesignated by  
 2       paragraph (3)), by striking “for each” and all that  
 3       follows through “of \$60,000,000” and inserting “,  
 4       the Secretary shall allocate funding”.

5   **SEC. 816. DISQUALIFICATION FOR PARTICIPATING IN 2 OR**  
 6                           **MORE STATES.**

7       Section 6 (7 U.S.C. 2015) (as amended by section  
 8   815) is further amended by adding at the end the follow-  
 9   ing:

10       “(j) DISQUALIFICATION FOR PARTICIPATING IN 2 OR  
 11   MORE STATES.—An individual shall be ineligible to par-  
 12   ticipate in the food stamp program as a member of any  
 13   household during a 10-year period beginning on the date  
 14   the individual is found by a State to have made, or is con-  
 15   victed in Federal or State court of having made, a fraudu-  
 16   lent statement or representation with respect to the place  
 17   of residence of the individual to receive benefits simulta-  
 18   neously from 2 or more States under—

19               “(1) the food stamp program;

20               “(2) a State program funded under part A of  
 21   title IV of the Social Security Act (42 U.S.C. 601  
 22   et seq.) or under title XIX of the Act (42 U.S.C.  
 23   1396 et seq.); or



1           “(3) the supplemental security income program  
2           under title XVI of the Act (42 U.S.C. 1381 et  
3           seq.).”.

4   **SEC. 817. DISQUALIFICATION RELATING TO CHILD SUP-**  
5           **PORT ARREARS.**

6           Section 6 (7 U.S.C. 2015) (as amended by section  
7   816) is further amended by adding at the end the follow-  
8   ing:

9           “(k) DISQUALIFICATION FOR CHILD SUPPORT AR-  
10   REARS.—

11           “(1) IN GENERAL.—At the option of a State  
12           agency, except as provided in paragraph (2), no indi-  
13           vidual shall be eligible to participate in the food  
14           stamp program as a member of any household dur-  
15           ing any month that the individual is delinquent in  
16           any payment due under a court order for the sup-  
17           port of a child of the individual.

18           “(2) EXCEPTIONS.—Paragraph (1) shall not  
19           apply if—

20                   “(A) a court is allowing the individual to  
21                   delay payment; or

22                   “(B) the individual is complying with a  
23                   payment plan approved by a court or the State  
24                   agency designated under part D of title IV of  
25                   the Social Security Act (42 U.S.C. 651 et seq.)

1 to provide support for the child of the individ-  
 2 ual.”.

3 **SEC. 818. FACILITATE IMPLEMENTATION OF A NATIONAL**  
 4 **ELECTRONIC BENEFIT TRANSFER DELIVERY**  
 5 **SYSTEM.**

6 (a) IMPLEMENTATION OF NATIONAL ELECTRONIC  
 7 BENEFITS TRANSFER SYSTEM.—Section 7 (7 U.S.C.  
 8 2016) is amended—

9 (1) in subsection (g)—

10 (A) by striking “(1)”;

11 (B) by striking paragraph (2); and

12 (C) by striking “(A)” and “(B)” and in-  
 13 serting “(1)” and “(2)”, respectively;

14 (2) in subsection (i)—

15 (A) in paragraph (2)—

16 (i) by striking “issue final regulations  
 17 effective no later than April 1, 1992,  
 18 that”;

19 (ii) by striking subparagraph (A); and

20 (iii) by redesignating subparagraphs  
 21 (B) through (H) as subparagraphs (A)  
 22 through (G), respectively;

23 (B) in paragraph (3)(A), by inserting after  
 24 “minority language populations” the following:  
 25 “and those stores a State agency has deter-

1           mined shall be provided the equipment nec-  
2           essary for participation by the store in an elec-  
3           tronic benefit transfer delivery system”; and

4           (D) by striking paragraph (5) and redesign-  
5           nating paragraph (6) as paragraph (5); and  
6           (3) by adding at the end the following:

7           “(j) ELECTRONIC BENEFIT TRANSFERS.—

8           “(1) APPLICABLE LAW.—

9           “(A) IN GENERAL.—Disclosures, protec-  
10          tions, responsibilities, and remedies established  
11          by the Federal Reserve Board under section  
12          904 of the Electronic Fund Transfer Act (15  
13          U.S.C. 1693b) shall not apply to benefits under  
14          this Act delivered through any electronic benefit  
15          transfer system.

16          “(B) DEFINITION OF ELECTRONIC BENE-  
17          FIT TRANSFER SYSTEM.—In this paragraph,  
18          the term ‘electronic benefit transfer system’  
19          means a system under which a governmental  
20          entity distributes benefits under this Act or  
21          other benefits or payments by establishing ac-  
22          counts to be accessed by recipients of the bene-  
23          fits electronically, including through the use of  
24          an automated teller machine or an intelligent  
25          benefit card.

1           “(2) CHARGING FOR ELECTRONIC BENEFIT  
2       TRANSFER CARE REPLACEMENT.—”.

3           “(A) IN GENERAL.—A State agency may  
4       charge an individual for the cost of replacing a  
5       lost or stolen electronic benefit transfer card.

6           “(B) REDUCING ALLOTMENT.—A State  
7       agency may collect a charge imposed under sub-  
8       paragraph (A) by reducing the monthly allot-  
9       ment of the household of which the individual  
10      is a member.

11          “(3) OPTIONAL PHOTOGRAPHIC IDENTIFICA-  
12      TION.—

13          “(A) IN GENERAL.—A State agency may  
14      require that an electronic benefit card contain  
15      a photograph of 1 or more members of a house-  
16      hold.

17          “(B) OTHER AUTHORIZED USERS.—If a  
18      State agency requires a photograph on an elec-  
19      tronic benefit card under subparagraph (A), the  
20      State agency shall establish procedures to en-  
21      sure that any other appropriate member of the  
22      household or any authorized representative of  
23      the household may utilize the card.”.

24      (b) CONFORMING AMENDMENTS.—

1           (1) The first sentence of section 10 (7 U.S.C.  
2       2019) is amended by striking the period at the end  
3       and inserting the following: “, unless the center, or-  
4       ganization, institution, shelter, group living arrange-  
5       ment, or establishment is equipped with a point-of-  
6       sale device for the purpose of participating in the  
7       electronic benefit transfer system.”.

8           (2) Section 16(a)(3) (7 U.S.C. 2025(a)(3)) is  
9       amended by inserting after “households” the follow-  
10      ing: “, including the cost of providing equipment  
11      necessary for retail food stores to participate in an  
12      electronic benefit transfer system”.

13      (c) EFFECTIVE DATE.—The amendments made by  
14      this section shall become effective on the date that the  
15      Secretary of Agriculture implements a national electronic  
16      benefit transfer system in accordance with section 7 of the  
17      Food Stamp Act of 1977 (7 U.S.C. 2016) (as amended  
18      by subsection (a)).

19      **SEC. 819. LIMITING ADJUSTMENT OF MINIMUM BENEFIT.**

20      Section 8(a) (7 U.S.C. 2017(a)) is amended by strik-  
21      ing “nearest \$5” and inserting “nearest \$10”.

22      **SEC. 820. BENEFITS ON RECERTIFICATION.**

23      Section 8(c)(2)(B) (7 U.S.C. 2017(c)(2)(B)) is  
24      amended by striking “of more than one month”.

1 **SEC. 821. STATE AUTHORIZATION TO SET REQUIREMENTS**

2 **APPROPRIATE FOR HOUSEHOLDS.**

3 (a) AGGREGATE ALLOTMENT.—Section 8(c)(3) (7  
4 U.S.C. 2017(c)(3)) is amended—

5 (1) by striking “agency—” and all that follows  
6 through “11(e)(9), may” and inserting “agency  
7 may”; and

8 (2) by striking “; and” and all that follows and  
9 inserting a period.

10 (b) STATE PLAN.—Section 11 (7 U.S.C. 2020) is  
11 amended—

12 (1) in subsection (e)—

13 (A) in paragraph (2)—

14 (i) by striking “a simplified, uniform  
15 national” and all that follows through  
16 “such State forms are” and inserting “an  
17 application form for participation in the  
18 food stamp program that is”;

19 (ii) striking “Each food stamp appli-  
20 cation form shall contain” and all that fol-  
21 lows through “The State agency shall re-  
22 quire” and inserting “The State agency  
23 shall require”; and

24 (iii) by striking the semicolon at the  
25 end and inserting the following: “. An ap-  
26 plication shall be considered filed on the

1           date the household submits an application  
2           that contains the name, address, and sig-  
3           nature of the applicant;”;

4           (B) by striking paragraph (14) and insert-  
5           ing the following:

6           “(14) that the agency shall evaluate the access  
7           needs of special groups, including the elderly, dis-  
8           abled, rural poor, people who do not speak or read  
9           English, households that are homeless, and house-  
10          holds that reside on an Indian reservation. The  
11          State plan of operation required under subsection  
12          (d) shall describe the procedures the State agency  
13          will follow to address the access needs of the special  
14          groups, the actions the State agency will take to pro-  
15          vide timely and accurate service to all applicants and  
16          recipients, and the means the State agency will use  
17          to provide necessary information to applicants and  
18          recipients, including the rights and responsibilities of  
19          the applicants;”;

20          (C) by striking “; and” at the end of para-  
21          graph (24) and inserting a period; and

22          (D) by striking paragraph (25);

23          (2) in subsection (i)—

24               (A) by striking “(1) a single” and all that  
25               follows through “; (2)”;

1 (B) by striking “; (3) households” and all  
2 that follows through “is available in such case  
3 file”; and

4 (3) in subsection (j), by adding at the end the  
5 following:

6 “(3) INDEPENDENT ELIGIBILITY DETERMINA-  
7 TION.—A State agency may not deny an application,  
8 nor terminate benefits, under the food stamp pro-  
9 gram, without a separate determination by the State  
10 agency that the household fails to satisfy the eligi-  
11 bility requirements for participation in the food  
12 stamp program, on the basis that an application to  
13 participate has been denied or benefits have been  
14 terminated under a program funded under the Social  
15 Security Act (42 U.S.C. 301 et seq.).”.

16 **SEC. 822. COORDINATION OF EMPLOYMENT AND TRAINING**  
17 **PROGRAMS.**

18 Section 8(d) (7 U.S.C. 2019(d)) is amended—

19 (1) by striking “(d) A household” and inserting  
20 the following:

21 “(d) NONCOMPLIANCE WITH OTHER WELFARE OR  
22 WORK PROGRAMS.—

23 “(1) IN GENERAL.—A household”; and



1           (2) by inserting “or a work requirement under  
2           a welfare or public assistance program” after “as-  
3           sistance program”; and

4           (3) by adding at the end the following:

5           “(2) WORK REQUIREMENT.—If a household  
6           fails to comply with a work requirement under a  
7           State program funded under part A of title IV of the  
8           Social Security Act (42 U.S.C. 601 et seq.), for the  
9           duration of the reduction—

10           “(A) the household may not receive an in-  
11           creased allotment as the result of a decrease in  
12           the income of the household to the extent that  
13           the decrease is the result of a penalty imposed  
14           for the failure to comply; and

15           “(B) the State agency may reduce the al-  
16           lotment of the household by not more than 25  
17           percent.”.

18 **SEC. 823. SIMPLIFICATION OF APPLICATION PROCEDURES**

19 **AND STANDARDIZATION OF BENEFITS.**

20           Section 8 (7 U.S.C. 2019) is amended by striking  
21 subsection (e) and inserting the following:

22           “(e) SIMPLIFICATION OF APPLICATION PROCEDURES  
23 AND STANDARDIZATION OF BENEFITS.—

24           “(1) IN GENERAL.—On the request of a State  
25           agency, the Secretary may approve Statewide, or for

1       1 or more project areas, procedures and standards  
2       consistent with this Act under which—

3               “(A) a household in which all members of  
4       the household are receiving benefits under a  
5       State program funded under part A of title IV  
6       of the Social Security Act (42 U.S.C. 601 et  
7       seq.) may be considered to have satisfied the  
8       application, interview, and verification require-  
9       ments under section 11(e);

10              “(B) the State agency may use income in-  
11       formation obtained and used under a State pro-  
12       gram funded under part A of title IV of the So-  
13       cial Security Act to determine the gross  
14       nonexcluded income of the household under this  
15       Act;

16              “(C) the State agency may standardize the  
17       amount of the deductions under section 5(e),  
18       except that a deduction may not be allowed for  
19       dependent care costs or earned income if the  
20       State program funded under part A of title IV  
21       of the Social Security Act allows an income ex-  
22       clusion for the costs or income; and

23              “(D) the State agency may elect to apply  
24       different shelter standards to a household that

1 receives a housing subsidy and a household that  
2 does not receive a housing subsidy.

3 “(2) INCOME INCLUDES ASSISTANCE.—The  
4 gross nonexcluded income of a household determined  
5 under paragraph (1)(B) shall include the assistance  
6 provided under a State program funded under part  
7 A of title IV of the Social Security Act.

8 “(3) HOUSEHOLD SIZE.—A State agency shall  
9 base the value of the allotment provided to a house-  
10 hold under this paragraph on household size.

11 “(4) ALTERNATIVE PLAN.—The Secretary may  
12 approve an alternative plan submitted by a State  
13 agency that is consistent with this Act for simplify-  
14 ing application procedures or standardizing income  
15 or benefit determinations for a household in which  
16 all members of the household are receiving benefits  
17 under a State program funded under part A of title  
18 IV of the Social Security Act (42 U.S.C. 601 et  
19 seq.).

20 “(5) NO INCREASED FEDERAL COSTS.—

21 “(A) APPLICATION.—On submission of a  
22 request for approval under paragraph (1) or  
23 (4), a State agency shall assure the Secretary  
24 that approval will not increase Federal costs.

1           “(B) REDUCTION OF COSTS.—If Federal  
2           costs are increased as a result of a State agency  
3           carrying out this subsection, the State agency  
4           shall take prompt action to reduce costs to the  
5           level that existed prior to carrying out this sub-  
6           section.”.

7   **SEC. 824. AUTHORITY TO ESTABLISH AUTHORIZATION PE-**  
8           **RIODS.**

9           Section 9(a)(1) (7 U.S.C. 2018(a)(1)) is amended by  
10          adding at the end the following: “The Secretary is author-  
11          ized to issue regulations establishing specific time periods  
12          during which authorization to accept and redeem coupons  
13          under the food stamp program shall be valid.”.

14   **SEC. 825. SPECIFIC PERIOD FOR PROHIBITING PARTICIPA-**  
15           **TION OF STORES BASED ON LACK OF BUSI-**  
16           **NESS INTEGRITY.**

17          Section 9(a)(1) (7 U.S.C. 2018(a)(1)) (as amended  
18          by section 824) is further amended by adding at the end  
19          the following: “The Secretary may issue regulations estab-  
20          lishing specific time periods of not less than 6 months dur-  
21          ing which a retail food store or wholesale food concern  
22          that has an application for approval to accept and redeem  
23          coupons denied or that has an approval withdrawn on the  
24          basis of business integrity and reputation cannot submit  
25          a new application for approval. The periods shall reflect

1 the severity of business integrity infractions that are the  
2 basis of the denials or withdrawals.”.

3 **SEC. 826. INFORMATION FOR VERIFYING ELIGIBILITY FOR**  
4 **AUTHORIZATION.**

5 Section 9(c) (7 U.S.C. 2018(c)) is amended—

6 (1) in the first sentence, by inserting “, which  
7 may include relevant income and sales tax filing doc-  
8 uments,” after “submit information” ; and

9 (2) by inserting after the first sentence the fol-  
10 lowing: “The regulations may require retail food  
11 stores and wholesale food concerns to provide writ-  
12 ten authorization for the Secretary to verify all rel-  
13 evant tax filings with appropriate agencies and to  
14 obtain corroborating documentation from other  
15 sources so that the accuracy of information provided  
16 by the stores and concerns may be verified.”.

17 **SEC. 827. WAITING PERIOD FOR STORES THAT INITIALLY**  
18 **FAIL TO MEET AUTHORIZATION CRITERIA.**

19 Section 9(d) (7 U.S.C. 2018(d)) is amended by add-  
20 ing at the end the following: “A retail food store or whole-  
21 sale food concern that has an application for approval to  
22 accept and redeem coupons denied because the store or  
23 concern does not meet criteria for approval established by  
24 the Secretary by regulation may not submit a new applica-  
25 tion for 6 months from the date of the denial.”.

1 **SEC. 828. MANDATORY CLAIMS COLLECTION METHODS.**

2 (a) DISCLOSURE OF INFORMATION.—Section  
 3 11(e)(8) (7 U.S.C. 2020(e)(8)) is amended by inserting  
 4 before the semicolon at the end the following: “or from  
 5 refunds of Federal taxes under section 3720A of title 31,  
 6 United States Code”.

7 (b) COLLECTION OF OVERISSUANCES.—Section 13 (7  
 8 U.S.C. 2022) is amended—

9 (1) in subsection (b)—

10 (A) by striking “(b)(1)(A) In” and all that  
 11 follows through “(2)(A) State agencies” and in-  
 12 serting the following:

13 “(b) COLLECTION OF OVERISSUANCES.—

14 “(1) IN GENERAL.—A State agency”;

15 (B) by striking “(B) State agencies” and  
 16 inserting the following:

17 “(2) OTHER MEANS OF COLLECTION.—A State  
 18 agency”;

19 (C) in paragraph (1) (as amended by sub-  
 20 paragraph (A))—

21 (i) by striking “, other than claims”  
 22 and all that follows through “error of the  
 23 State agency,”;

24 (ii) by striking “, except that the  
 25 household shall” and inserting “. At the

option of the State, the household may”;  
and

(iii) by adding at the end the following: “A State agency may waive the use of an allotment reduction as a means of collecting a claim arising from an error of the State agency if the collection would cause a hardship (as defined by the State agency) on the household, except that the State agency shall continue to pursue all other lawful methods of collection of the claim.”;

and

(D) in paragraph (2) (as amended by subparagraph (A))—

(i) by striking “may collect” and inserting “shall collect”; and

(ii) by striking “or subparagraph (A)”;

and

(2) in subsection (d)—

(A) by striking “and except for claims arising from an error of the State agency,”;

(B) by striking “may be recovered” and inserting “shall be recovered”; and

(C) by inserting before the period at the end the following: “or a refund of Federal taxes

1           under section 3720A of title 31, United States  
2           Code.”.

3           (c) DISCLOSURE OF RETURN INFORMATION.—Sec-  
4           tion 6103(l) of the Internal Revenue Code of 1986 is  
5           amended by striking “officers and employees” each place  
6           it appears and inserting “officers, employees, or agents,  
7           including State agencies,”.

8           (d) STATE AGENCY COLLECTION OF FEDERAL TAX  
9           REFUNDS.—Section 6402(d) of the Internal Revenue  
10          Code of 1986 is amended—

11           (1) in paragraph (1), by inserting after “any  
12          Federal agency” the following: “(or any State agen-  
13          cy that has the responsibility for the administration  
14          of the food stamp program operated pursuant to the  
15          Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.))”;  
16          and

17           (2) in the second sentence of paragraph (2), by  
18          inserting after “a Federal agency” the following:  
19          “(or a State agency that has the responsibility for  
20          the administration of the food stamp program oper-  
21          ated pursuant to the Food Stamp Act of 1977)”.



1 **SEC. 829. STATE AUTHORIZATION TO ASSIST LAW EN-**  
2 **FORCEMENT OFFICERS IN LOCATING FUGI-**  
3 **TIVE FELONS.**

4 Section 11(e)(8)(B) (7 U.S.C. 2020(e)(8)(B)) is  
5 amended by striking “Act, and” and inserting “Act or of  
6 locating a fugitive felon (as defined by a State), and”.

7 **SEC. 830. EXPEDITED SERVICE.**

8 Section 11(e)(9) (7 U.S.C. 2020(e)(9)) is amended—

9 (1) in subparagraph (A)—

10 (A) by striking “five days” and inserting  
11 “7 days”; and

12 (B) by inserting “and” at the end;

13 (2) by striking subparagraphs (B) and (C);

14 (3) by redesignating subparagraph (D) as sub-  
15 paragraph (B); and

16 (4) in subparagraph (B) (as redesignated by  
17 paragraph (3)), by striking “, (B), or (C)”.

18 **SEC. 831. BASES FOR SUSPENSIONS AND DISQUALIFICA-**  
19 **TIONS.**

20 Section 12(a) (7 U.S.C. 2021(a)) is amended by add-  
21 ing at the end the following: “Regulations issued pursuant  
22 to this Act shall provide criteria for the finding of a viola-  
23 tion, and the suspension or disqualification of a retail food  
24 store or wholesale food concern, on the basis of evidence  
25 that may include facts established through on-site inves-  
26 tigations, inconsistent redemption data, or evidence ob-

1 tained through transaction reports under electronic bene-  
 2 fits transfer systems.”.

3 **SEC. 832. AUTHORITY TO SUSPEND STORES VIOLATING**  
 4 **PROGRAM REQUIREMENTS PENDING ADMIN-**  
 5 **ISTRATIVE AND JUDICIAL REVIEW.**

6 (a) AUTHORITY.—Section 12(a) (7 U.S.C. 2021(a))  
 7 (as amended by section 834) is amended by adding at the  
 8 end the following: “The regulations may establish criteria  
 9 under which the authorization of a retail food store or  
 10 wholesale food concern to accept and redeem coupons may  
 11 be suspended at the time the store or concern is initially  
 12 found to have committed a violation of a requirement of  
 13 the food stamp program. The suspension may coincide  
 14 with the period of a review under section 14. The Sec-  
 15 retary shall not be liable for the value of any sales lost  
 16 during a suspension or disqualification period.”.

17 (b) REVIEW.—Section 14(a) (7 U.S.C. 2023(a)) is  
 18 amended—

19 (1) in the first sentence, by striking “disquali-  
 20 fied or subjected” and inserting “suspended, dis-  
 21 qualified, or subjected”;

22 (2) in the fifth sentence, by inserting before the  
 23 period at the end the following: “, except that, in the  
 24 case of the suspension of a retail food store or  
 25 wholesale food concern under section 12(a), the sus-

1       pension shall remain in effect pending any adminis-  
 2       trative or judicial review of the proposed disquali-  
 3       fication action, and the period of suspension shall be  
 4       deemed a part of any period of disqualification that  
 5       is imposed”; and

6               (3) by striking the last sentence.

7   **SEC. 833. DISQUALIFICATION OF RETAILERS WHO ARE DIS-**  
 8               **QUALIFIED UNDER THE WIC PROGRAM.**

9       Section 12 (7 U.S.C. 2021) is amended by adding  
 10   at the end the following:

11       “(g) DISQUALIFICATION OF RETAILERS WHO ARE  
 12   DISQUALIFIED UNDER THE WIC PROGRAM.—

13               “(1) IN GENERAL.—The Secretary shall issue  
 14   regulations providing criteria for the disqualification  
 15   of an approved retail food store and a wholesale food  
 16   concern that is disqualified from accepting benefits  
 17   under the special supplemental nutrition program  
 18   for women, infants, and children established under  
 19   section 17 of the Child Nutrition Act of 1966 (7  
 20   U.S.C. 1786).

21               “(2) TERMS.—A disqualification under para-  
 22   graph (1)—

23                       “(A) shall be for the same period as the  
 24               disqualification from the program referred to in  
 25               paragraph (1);

1           “(B) may begin at a later date than the  
2           disqualification from the program referred to in  
3           paragraph (1); and

4           “(C) notwithstanding section 14, shall not  
5           be subject to administrative or judicial review.”.

6 **SEC. 834. PERMANENT DEBARMENT OF RETAILERS WHO IN-**  
7 **TENTIONALLY SUBMIT FALSIFIED APPLICA-**  
8 **TIONS.**

9           Section 12 (7 U.S.C. 2021) (as amended by section  
10 833) is amended by adding at the end the following:

11          “(h) FALSIFIED APPLICATIONS.—

12           “(1) IN GENERAL.—The Secretary shall issue  
13           regulations providing for the permanent disqualifica-  
14           tion of a retail food store, or wholesale food concern,  
15           that knowingly submits an application for approval  
16           to accept and redeem coupons that contains false in-  
17           formation about a substantive matter that was a  
18           basis for approving the application.

19           “(2) REVIEW.—A disqualification under para-  
20           graph (1) shall be subject to administrative and ju-  
21           dicial review under section 14, except that the dis-  
22           qualification shall remain in effect pending the re-  
23           view.”.

1 **SEC. 835. EXPANDED CIVIL AND CRIMINAL FORFEITURE**  
2 **FOR VIOLATIONS.**

3 (a) FORFEITURE OF ITEMS EXCHANGED IN FOOD  
4 STAMP TRAFFICKING.—The first sentence of section  
5 15(g) (7 U.S.C. 2024(g)) is amended by striking “or in-  
6 tended to be furnished”.

7 (b) CIVIL AND CRIMINAL FORFEITURE.—Section 15  
8 (7 U.S.C. 2024)) is amended by adding at the end the  
9 following:

10 “(h) CIVIL AND CRIMINAL FORFEITURE.—

11 “(1) CIVIL FORFEITURE.—

12 “(A) IN GENERAL.—Any food stamp bene-  
13 fits and any property, real or personal, con-  
14 stituting, derived from, or traceable to any pro-  
15 ceeds obtained directly or indirectly from, or  
16 used, or intended to be used, to commit, or to  
17 facilitate, the commission of a violation of sub-  
18 section (b) or (c) involving food stamp benefits  
19 having an aggregate value of not less than  
20 \$5,000, shall be subject to forfeiture to the  
21 United States.

22 “(B) PROCEDURES.—Chapter 46 of title  
23 18, United States Code, shall apply to a seizure  
24 or forfeiture under this subsection, if not incon-  
25 sistent with this subsection, except that any du-  
26 ties imposed on the Secretary of the Treasury

1 under chapter 46 may also be performed with  
2 respect to a seizure or forfeiture under this sec-  
3 tion by the Secretary of Agriculture.

4 “(C) CIVIL AND CRIMINAL.—Forfeitures  
5 imposed under this subsection shall be in addi-  
6 tion to any criminal sanctions imposed against  
7 the owner of the forfeited property.

8 “(2) CRIMINAL FORFEITURE.—

9 “(A) IN GENERAL.—Any person convicted  
10 of violating subsection (b) or (c) involving food  
11 stamp benefits having an aggregate value of not  
12 less than \$5,000, shall forfeit to the United  
13 States, irrespective of any State law—

14 “(i) any food stamp benefits and any  
15 property constituting, or derived from, or  
16 traceable to any proceeds the person ob-  
17 tained directly or indirectly as a result of  
18 the violation; and

19 “(ii) any food stamp benefits and any  
20 property of the person used, or intended to  
21 be used, in any manner or part, to commit,  
22 or to facilitate the commission of the viola-  
23 tion.

24 “(B) SENTENCE.—In imposing a sentence  
25 on a person under subparagraph (A), the court

1           shall order that the person forfeit to the United  
2           States all property described in this subsection.

3           “(C) PROCEDURES.—Any food stamp ben-  
4           efits or property subject to forfeiture under this  
5           subsection, any seizure or disposition of the  
6           benefits or property, and any administrative or  
7           judicial proceeding relating to the benefits or  
8           property, shall be governed by subsections (b),  
9           (c), (e), and (g) through (p) of section 413 of  
10          the Comprehensive Drug Abuse Prevention and  
11          Control Act of 1970 (21 U.S.C. 853), if not in-  
12          consistent with this subsection.

13          “(3) EXCLUDED PROPERTY.—This subsection  
14          shall not apply to property referred to in subsection  
15          (g).

16          “(4) RESTRAINING ORDER.—A restraining  
17          order available under section 413(e) of the Com-  
18          prehensive Drug Abuse Prevention and Control Act  
19          of 1970 (21 U.S.C. 853(e)) shall apply to assets oth-  
20          erwise subject to forfeiture under section 413(p) of  
21          the Act (21 U.S.C. 853(p)).

22          “(5) RULES AND REGULATIONS.—The Sec-  
23          retary may prescribe such rules and regulations as  
24          are necessary to carry out this subsection.

“(i) RULES RELATING TO FORFEITURES.—With re-  
spect to property subject to forfeiture under subsections  
(g) and (h), the Secretary may allocate a division of such  
property, or the proceeds of the sale of such property, as  
the Secretary determines appropriate, between the Sec-  
retary of Agriculture under subsection (g) and the Sec-  
retary of the Treasury under subsection (h).”.

## 8 SEC. 836. EXTENDING CLAIMS RETENTION RATES.

9       The provisions of the first sentence of section 16(a)  
10 (7 U.S.C. 2025(a)) is amended by striking “1995” each  
11 place it appears and inserting “2000”.

**12 SEC. 837. NUTRITION ASSISTANCE FOR PUERTO RICO.**

13       The first sentence of section 19(a)(1)(A) of the Food  
14 Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended  
15 by striking “\$974,000,000” and all that follows through  
16 “fiscal year 1995” and inserting the following:  
17 “\$1,143,000,000 for each of fiscal years 1995 and 1996,  
18 \$1,182,000,000 for fiscal year 1997, \$1,223,000,000 for  
19 fiscal year 1998, \$1,266,000,000 for fiscal year 1999, and  
20 \$1,310,000,000 for fiscal year 2000”

21 SEC. 838. EXPANDED AUTHORITY FOR SHARING INFORMA-  
22 TION PROVIDED BY RETAILERS.

23           (a)           SOCIAL           SECURITY           ACT.—Section  
24   205(c)(2)(C)(iii) of the Social Security Act (42 U.S.C.  
25   405(c)(2)(C)(iii)) is amended—



1 (1) in subclause (II)—

2 (A) in the first sentence, by inserting after  
3 “instrumentality of the United States” the fol-  
4 lowing: “, a State government officer or em-  
5 ployee with law enforcement or investigative re-  
6 sponsibilities, or a State agency that has re-  
7 sponsibility for administering the special supple-  
8 mental nutrition program for women, infants,  
9 and children established under section 17 of the  
10 Child Nutrition Act of 1966 (7 U.S.C. 1786),”;  
11 and

12 (B) in the last sentence, by inserting “or  
13 State” after “other Federal”; and

14 (2) in subclause (III), by inserting “or a State”  
15 after “United States”.

16 (b) INTERNAL REVENUE CODE.—Section 6109(f)(2)  
17 of the Internal Revenue Code of 1986 (26 U.S.C.  
18 6109(f)(2)) (as added by section 316(b) of the Social Se-  
19 curity Administrative Reform Act of 1994 (Public Law  
20 103–296; 108 Stat. 1464)) is amended—

21 (1) in subparagraph (A), by inserting after “in-  
22 strumentality of the United States” the following: “,  
23 a State government officer or employee with law en-  
24 forcement or investigative responsibilities, or a State  
25 agency that has responsibility for administering the

1 special supplemental nutrition program for women,  
 2 infants, and children established under section 17 of  
 3 the Child Nutrition Act of 1966 (7 U.S.C. 1786),”;

4 (2) in the last sentence of subparagraph (A), by  
 5 inserting “or State” after “other Federal”; and

6 (3) in subparagraph (B), by inserting “or a  
 7 State” after “United States”.

8 **SEC. 839. CHILD AND ADULT CARE FOOD PROGRAM.**

9 (a) PAYMENTS TO SPONSOR EMPLOYEES.—Para-  
 10 graph (2) of the last sentence of section 17(a) of the Na-  
 11 tional School Lunch Act (42 U.S.C. 1766(a)) is amend-  
 12 ed—

13 (1) by striking “and” at the end of subpara-  
 14 graph (B);

15 (2) by striking the period at the end of sub-  
 16 paragraph (C) and inserting “; and”; and

17 (3) by adding at the end the following:

18 “(D) in the case of a family or group day  
 19 care home sponsoring organization that employs  
 20 more than 1 employee, the organization does  
 21 not base payments to an employee of the orga-  
 22 nization on the number of family or group day  
 23 care homes recruited, managed, or monitored.”.

24 (b) IMPROVED TARGETING OF DAY CARE HOME RE-  
 25 IMBURSEMENTS.—

1           (1) RESTRUCTURED DAY CARE HOME REIM-  
2 BURSEMENTS.—Section 17(f)(3) of the Act is  
3 amended by striking “(3)(A) Institutions” and all  
4 that follows through the end of subparagraph (A)  
5 and inserting the following:

6           “(3) REIMBURSEMENT OF FAMILY OR GROUP  
7 DAY CARE HOME SPONSORING ORGANIZATIONS.—

8           “(A) REIMBURSEMENT FACTOR.—

9           “(i) IN GENERAL.—An institution  
10 that participates in the program under this  
11 section as a family or group day care home  
12 sponsoring organization shall be provided,  
13 for payment to a home of the organization,  
14 reimbursement factors in accordance with  
15 this subparagraph for the cost of obtaining  
16 and preparing food and prescribed labor  
17 costs involved in providing meals under  
18 this section.

19           “(ii) TIER I FAMILY OR GROUP DAY  
20 CARE HOMES.—

21           “(I) DEFINITION.—In this para-  
22 graph, the term ‘tier I family or group  
23 day care home’ means—

24           “(aa) a family or group day  
25 care home that is located in a ge-

1 ographic area, as defined by the  
2 Secretary based on census data,  
3 in which at least 50 percent of  
4 the children residing in the area  
5 are members of households whose  
6 incomes meet the eligibility  
7 standards for free or reduced  
8 price meals under section 9;

9 “(bb) a family or group day  
10 care home that is located in an  
11 area served by a school enrolling  
12 elementary students in which at  
13 least 50 percent of the total num-  
14 ber of children enrolled are cer-  
15 tified eligible to receive free or  
16 reduced price school meals under  
17 this Act or the Child Nutrition  
18 Act of 1966 (42 U.S.C. 1771 et  
19 seq.); or

20 “(cc) a family or group day  
21 care home that is operated by a  
22 provider whose household meets  
23 the eligibility standards for free  
24 or reduced price meals under sec-  
25 tion 9 and whose income is veri-

1           fied by a sponsoring organization  
2           under regulations established by  
3           the Secretary.

4           “(II) REIMBURSEMENT.—Except  
5           as provided in subclause (III), a tier  
6           I family or group day care home shall  
7           be provided reimbursement factors  
8           under this clause without a require-  
9           ment for documentation of the costs  
10          described in clause (i), except that re-  
11          imbursement shall not be provided  
12          under this subclause for meals or sup-  
13          plements served to the children of a  
14          person acting as a family or group  
15          day care home provider unless the  
16          children meet the eligibility standards  
17          for free or reduced price meals under  
18          section 9.

19          “(III) FACTORS.—Except as pro-  
20          vided in subclause (IV), the reim-  
21          bursement factors applied to a home  
22          referred to in subclause (II) shall be  
23          the factors in effect on the date of en-  
24          actment of this subclause.

1           “(IV) ADJUSTMENTS.—The re-  
2           imbursement factors under this sub-  
3           paragraph shall be adjusted on Au-  
4           gust 1, 1996, July 1, 1997, and each  
5           July 1 thereafter, to reflect changes in  
6           the Consumer Price Index for food at  
7           home for the most recent 12-month  
8           period for which the data are avail-  
9           able. The reimbursement factors  
10          under this subparagraph shall be  
11          rounded to the nearest lower cent in-  
12          crement and based on the unrounded  
13          adjustment for the preceding 12-  
14          month period.

15          “(iii) TIER II FAMILY OR GROUP DAY  
16          CARE HOMES.—

17               “(I) IN GENERAL.—

18                   “(aa) FACTORS.—Except as  
19                   provided in subclause (II), with  
20                   respect to meals or supplements  
21                   served under this clause by a  
22                   family or group day care home  
23                   that does not meet the criteria  
24                   set forth in clause (ii)(I), the re-  
25                   imbursement factors shall be \$1

1 for lunches and suppers, 40 cents  
2 for breakfasts, and 20 cents for  
3 supplements.

4 “(bb) ADJUSTMENTS.—The  
5 factors shall be adjusted on July  
6 1, 1997, and each July 1 there-  
7 after, to reflect changes in the  
8 Consumer Price Index for food at  
9 home for the most recent 12-  
10 month period for which the data  
11 are available. The reimbursement  
12 factors under this item shall be  
13 rounded down to the nearest  
14 lower cent increment and based  
15 on the unrounded adjustment for  
16 the preceding 12-month period.

17 “(cc) REIMBURSEMENT.—A  
18 family or group day care home  
19 shall be provided reimbursement  
20 factors under this subclause with-  
21 out a requirement for docu-  
22 mentation of the costs described  
23 in clause (i), except that reim-  
24 bursement shall not be provided  
25 under this subclause for meals or

1 supplements served to the chil-  
2 dren of a person acting as a fam-  
3 ily or group day care home pro-  
4 vider unless the children meet the  
5 eligibility standards for free or  
6 reduced price meals under section  
7 9.

8 “(II) OTHER FACTORS.—A fam-  
9 ily or group day care home that does  
10 not meet the criteria set forth in  
11 clause (ii)(I) may elect to be provided  
12 reimbursement factors determined in  
13 accordance with the following require-  
14 ments:

15 “(aa) CHILDREN ELIGIBLE  
16 FOR FREE OR REDUCED PRICE  
17 MEALS.—In the case of meals or  
18 supplements served under this  
19 subsection to children who are  
20 members of households whose in-  
21 comes meet the eligibility stand-  
22 ards for free or reduced price  
23 meals under section 9, the family  
24 or group day care home shall be  
25 provided reimbursement factors



1 set by the Secretary in accord-  
2 ance with clause (ii) (III).

3 “(bb) INELIGIBLE CHIL-  
4 DREN.—In the case of meals or  
5 supplements served under this  
6 subsection to children who are  
7 members of households whose in-  
8 comes do not meet the eligibility  
9 standards, the family or group  
10 day care home shall be provided  
11 reimbursement factors in accord-  
12 ance with subclause (I).

13 “(III) INFORMATION AND DE-  
14 TERMINATIONS.—

15 “(aa) IN GENERAL.—If a  
16 family or group day care home  
17 elects to claim the factors de-  
18 scribed in subclause (II), the  
19 family or group day care home  
20 sponsoring organization serving  
21 the home shall collect the nec-  
22 essary income information, as de-  
23 termined by the Secretary, from  
24 any parent or other caretaker to  
25 make the determinations speci-

1           fied in subclause (II) and shall  
2           make the determinations in ac-  
3           cordance with rules prescribed by  
4           the Secretary.

5           “(bb) CATEGORICAL ELIGI-  
6           BILITY.—In making a determina-  
7           tion under item (aa), a family or  
8           group day care home sponsoring  
9           organization may consider a child  
10          participating in or subsidized  
11          under, or a child with a parent  
12          participating in or subsidized  
13          under, a federally or State sup-  
14          ported child care or other benefit  
15          program with an income eligi-  
16          bility limit that does not exceed  
17          the eligibility standard for free or  
18          reduced price meals under section  
19          9 to be a child who is a member  
20          of a household whose income  
21          meets the eligibility standards  
22          under section 9.

23          “(cc) FACTORS FOR CHIL-  
24          DREN ONLY.—A family or group  
25          day care home may elect to re-

1           ceive the reimbursement factors  
2           prescribed under clause (ii)(III)  
3           solely for the children participat-  
4           ing in a program referred to in  
5           item (bb) if the home elects not  
6           to have income statements col-  
7           lected from parents or other care-  
8           takers.

9           “(IV) SIMPLIFIED MEAL COUNT-  
10          ING AND REPORTING PROCEDURES.—  
11          The Secretary shall prescribe sim-  
12          plified meal counting and reporting  
13          procedures for use by a family or  
14          group day care home that elects to  
15          claim the factors under subclause (II)  
16          and by a family or group day care  
17          home sponsoring organization that  
18          serves the home. The procedures the  
19          Secretary prescribes may include 1 or  
20          more of the following:

21               “(aa) Setting an annual per-  
22               centage for each home of the  
23               number of meals served that are  
24               to be reimbursed in accordance  
25               with the reimbursement factors

1 prescribed under clause (ii)(III)  
2 and an annual percentage of the  
3 number of meals served that are  
4 to be reimbursed in accordance  
5 with the reimbursement factors  
6 prescribed under subclause (I),  
7 based on the family income of  
8 children enrolled in the home in a  
9 specified month or other period.

10 “(bb) Placing a home into 1  
11 of 2 or more reimbursement cat-  
12 egories annually based on the  
13 percentage of children in the  
14 home whose households have in-  
15 comes that meet the eligibility  
16 standards under section 9, with  
17 each such reimbursement cat-  
18 egory carrying a set of reim-  
19 bursement factors such as the  
20 factors prescribed under clause  
21 (ii)(III) or subclause (I) or fac-  
22 tors established within the range  
23 of factors prescribed under clause  
24 (ii)(III) and subclause (I).

1                   “(cc) Such other simplified  
2                   procedures as the Secretary may  
3                   prescribe.

4                   “(V) MINIMUM VERIFICATION  
5                   REQUIREMENTS.—The Secretary may  
6                   establish any necessary minimum ver-  
7                   ification requirements.”.

8                   (2) SPONSOR PAYMENTS.—Section 17(f)(3)(B)  
9                   of the Act is amended—

10                   (A) by striking the period at the end of the  
11                   second sentence and all that follows through the  
12                   end of the subparagraph and inserting the fol-  
13                   lowing:“, except that the adjustment that other-  
14                   wise would occur on July 1, 1996, shall be  
15                   made on August 1, 1996. The maximum allow-  
16                   able levels for administrative expense payments  
17                   shall be rounded to the nearest lower dollar in-  
18                   crement and based on the unrounded adjust-  
19                   ment for the preceding 12-month period.”;

20                   (B) by striking “(B)” and inserting  
21                   “(B)(i)”; and

22                   (C) by adding at the end the following new  
23                   clause:

24                   “(ii) The maximum allowable level of administrative  
25                   expense payments shall be adjusted by the Secretary—

1           “(I) to increase by 7.5 percent the monthly pay-  
 2           ment to family or group day care home sponsoring  
 3           organizations both for tier I family or group day  
 4           care homes and for those tier II family or group day  
 5           care homes for which the sponsoring organization  
 6           administers a means test as provided under subpara-  
 7           graph (A)(iii); and

8           “(II) to decrease by 7.5 percent the monthly  
 9           payment to family or group day care home sponsor-  
 10          ing organizations for family or group day care  
 11          homes that do not meet the criteria for tier I homes  
 12          and for which a means test is not administered.”.

13           (3) GRANTS TO STATES TO PROVIDE ASSIST-  
 14          ANCE TO FAMILY OR GROUP DAY CARE HOMES.—  
 15          Section 17(f)(3) of the Act is amended by adding at  
 16          the end the following:

17                   “(D) GRANTS TO STATES TO PROVIDE AS-  
 18                   SISTANCE TO FAMILY OR GROUP DAY CARE  
 19                   HOMES.—

20                           “(i) IN GENERAL.—

21                                   “(I)           RESERVATION.—From  
 22                                   amounts made available to carry out  
 23                                   this section, the Secretary shall re-  
 24                                   serve \$5,000,000 of the amount made  
 25                                   available for fiscal year 1996.

1           “(II) PURPOSE.—The Secretary  
2           shall use the funds made available  
3           under subclause (I) to provide grants  
4           to States for the purpose of provid-  
5           ing—

6                   “(aa) assistance, including  
7                   grants, to family and day care  
8                   home sponsoring organizations  
9                   and other appropriate organiza-  
10                  tions, in securing and providing  
11                  training, materials, automated  
12                  data processing assistance, and  
13                  other assistance for the staff of  
14                  the sponsoring organizations; and

15                  “(bb) training and other as-  
16                  sistance to family and group day  
17                  care homes in the implementation  
18                  of the amendments to subpara-  
19                  graph (A) made by section  
20                  574(b)(1) of the Family Self-Suf-  
21                  ficiency Act of 1995.

22           “(ii) ALLOCATION.—The Secretary  
23           shall allocate from the funds reserved  
24           under clause (i)(II)—

1           “(I) \$30,000 in base funding to  
2           each State; and

3           “(II) any remaining amount  
4           among the States, based on the num-  
5           ber of family day care homes partici-  
6           pating in the program in a State in  
7           1994 as a percentage of the number  
8           of all family day care homes partici-  
9           pating in the program in 1994.

10          “(iii) RETENTION OF FUNDS.—Of the  
11          amount of funds made available to a State  
12          for a fiscal year under clause (i), the State  
13          may retain not to exceed 30 percent of the  
14          amount to carry out this subparagraph.

15          “(iv) ADDITIONAL PAYMENTS.—Any  
16          payments received under this subpara-  
17          graph shall be in addition to payments  
18          that a State receives under subparagraph  
19          (A) (as amended by section 134(b)(1) of  
20          the Family Self-Sufficiency Act of 1995).”.

21          (4) PROVISION OF DATA.—Section 17(f)(3) of  
22          the Act (as amended by paragraph (3)) is further  
23          amended by adding at the end the following:



1           “(E) PROVISION OF DATA TO FAMILY OR  
2           GROUP DAY CARE HOME SPONSORING ORGANI-  
3           ZATIONS.—

4           “(i) CENSUS DATA.—The Secretary  
5           shall provide to each State agency admin-  
6           istering a child and adult care food pro-  
7           gram under this section data from the  
8           most recent decennial census survey or  
9           other appropriate census survey for which  
10          the data are available showing which areas  
11          in the State meet the requirements of sub-  
12          paragraph (A)(ii)(I)(aa). The State agency  
13          shall provide the data to family or group  
14          day care home sponsoring organizations lo-  
15          cated in the State.

16          “(ii) SCHOOL DATA.—

17               “(I) IN GENERAL.—A State  
18               agency administering the program  
19               under this section shall annually pro-  
20               vide to a family or group day care  
21               home sponsoring organizations that  
22               request the data, a list of schools  
23               serving elementary school children in  
24               the State in which at least 50 percent  
25               of the children enrolled are certified to

1 receive free or reduced price meals.  
2 State agencies administering the  
3 school lunch program under this Act  
4 or the school breakfast program under  
5 the Child Nutrition Act of 1966 (42  
6 U.S.C. 1771 et seq.) shall collect such  
7 data annually and provide such data  
8 on a timely basis to the State agency  
9 administering the program under this  
10 section.

11 “(II) USE OF DATA FROM PRE-  
12 CEDING SCHOOL YEAR.—In determin-  
13 ing for a fiscal year or other annual  
14 period whether a home qualifies as a  
15 tier I family or group day care home  
16 under subparagraph (A)(ii)(I), the  
17 State agency administering the pro-  
18 gram under this section, and a family  
19 or group day care home sponsoring  
20 organization, shall use the most cur-  
21 rent available data at the time of the  
22 determination.

23 “(iii) DURATION OF DETERMINA-  
24 TION.—For purposes of this section, a de-  
25 termination that a family or group day

1 care home is located in an area that quali-  
2 fies the home as a tier I family or group  
3 day care home (as the term is defined in  
4 subparagraph (A)(ii)(I)), shall be in effect  
5 for 3 years (unless the determination is  
6 made on the basis of census data, in which  
7 case the determination shall remain in ef-  
8 fect until more recent census data are  
9 available) unless the State agency deter-  
10 mines that the area in which the home is  
11 located no longer qualifies the home as a  
12 tier I family or group day care home.”.

13 (5) CONFORMING AMENDMENTS.—Section 17(c)  
14 of the Act is amended by inserting “except as pro-  
15 vided in subsection (f)(3),” after “For purposes of  
16 this section,” each place it appears in paragraphs  
17 (1), (2), and (3).

18 (c) DISALLOWING MEAL CLAIMS.—The fourth sen-  
19 tence of section 17(f)(4) of the Act is amended by insert-  
20 ing “(including institutions that are not family or group  
21 day care home sponsoring organizations)” after “institu-  
22 tions”.

23 (d) ELIMINATION OF STATE PAPERWORK AND OUT-  
24 REACH BURDEN.—Section 17 of the Act is amended by  
25 striking subsection (k) and inserting the following:

1       “(k) TRAINING AND TECHNICAL ASSISTANCE.—A  
2 State participating in the program established under this  
3 section shall provide sufficient training, technical assist-  
4 ance, and monitoring to facilitate effective operation of the  
5 program. The Secretary shall assist the State in develop-  
6 ing plans to fulfill the requirements of this subsection.”.

7       (e) EFFECTIVE DATE.—

8           (1) IN GENERAL.—Except as provided in para-  
9 graph (2), the amendments made by this section  
10 shall become effective on the date of enactment of  
11 this Act.

12           (2) IMPROVED TARGETING OF DAY CARE HOME  
13 REIMBURSEMENTS.—The amendments made by  
14 paragraphs (1), (3), and (4) of subsection (b) shall  
15 become effective on August 1, 1996.

16           (3) IMPLEMENTATION.—The Secretary of Agri-  
17 culture shall issue regulations to implement the  
18 amendments made by paragraphs (1), (2), (3), and  
19 (4) of subsection (b) and the provisions of section  
20 17(f)(3)(C) of the National School Lunch Act (42  
21 U.S.C. 1766(f)(3)(C)) not later than February 1,  
22 1996. If such regulations are issued in interim form,  
23 final regulations shall be issued not later than Au-  
24 gust 1, 1996.

1 **SEC. 840. RESUMPTION OF DISCRETIONARY FUNDING FOR**  
2 **NUTRITION EDUCATION AND TRAINING PRO-**  
3 **GRAM.**

4 Section 19(i)(2)(A) of the Child Nutrition Act of  
5 1966 (42 U.S.C. 1788(i)(2)(A)) is amended—

6 (1) by striking “Out of” and all that follows  
7 through “and \$10,000,000” and inserting “To carry  
8 out the provisions of this section, there is hereby au-  
9 thorized to be appropriated not to exceed  
10 \$10,000,000”; and

11 (2) by striking the last sentence.

12 **TITLE IX—EFFECTIVE DATE;**  
13 **MISCELLANEOUS PROVISIONS**

14 **SEC. 901. EFFECTIVE DATE.**

15 (a) IN GENERAL.—Except as otherwise provided in  
16 this Act, this Act and the amendments made by this Act  
17 shall take effect on October 1, 1996.

18 (b) ONE YEAR EXTENSION OF JOBS PROGRAM.—  
19 The authorization for the JOBS program under part F  
20 of title IV of the Social Security Act, as in effect on the  
21 date of the enactment of this Act shall be extended  
22 through fiscal year 1996 for \$1,000,000,000 and allocated  
23 to the States in the same manner as under section 495  
24 of the Social Security Act, as added by section 201 of this  
25 Act, except that the participation rate under clause (vi)

1 of section 403(l)(3)(A) of such Act, as so in effect, shall  
2 be applied by substituting “25 percent” for “20 percent”.

3 **SEC. 902. TREATMENT OF EXISTING WAIVERS.**

4 (a) IN GENERAL.—If any waiver granted to a State  
5 under section 1115 of the Social Security Act (42 U.S.C.  
6 1315) or otherwise which relates to the provision of assist-  
7 ance under a State plan approved under title IV of the  
8 such Act (42 U.S.C. 601 et seq.), is in effect or approved  
9 by the Secretary of Health and Human Services as of the  
10 date of the enactment of this Act, the amendments made  
11 by this Act, at the option of the State, shall not apply  
12 with respect to the State before the expiration (determined  
13 without regard to any extensions) of the waiver.

14 (b) FUNDING.—If the State elects the treatment de-  
15 scribed in subsection (a), the State—

16 (1) may use so much of the remainder of the  
17 Federal funds available for such waiver project as  
18 determined by the Secretary of Health and Human  
19 Services based on an evaluation of the budget of  
20 such waiver project; and

21 (2) may have any costs in excess of the cost  
22 neutrality requirements forgiven by the Secretary  
23 from funds not described in section 414(a)(2).

24 (c) REPORTS.—If the State does not elect the treat-  
25 ment described in subsection (a), and unless the Secretary

1 of Health and Human Services determines that the waiver  
2 project is not of sufficient duration, the State shall submit  
3 a report on the operation and results of the waiver project,  
4 including any effects on employment and welfare receipt.

5 **SEC. 903. EXPEDITED WAIVER PROCESS.**

6 Notwithstanding any other provision of law, the Sec-  
7 retary of Health and Human Services shall approve or dis-  
8 approve a waiver submitted under section 1115 of the So-  
9 cial Security Act (42 U.S.C. 1315) not later than 90 days  
10 after the date the completed application is received. In  
11 considering such an application, there shall be the pre-  
12 sumption for approval in the case of a request for a waiver  
13 that is similar in substance and scale to a previously ap-  
14 proved waiver.

15 **SEC. 904. COUNTY WELFARE DEMONSTRATION PROJECT.**

16 (a) IN GENERAL.—The Secretary of Health and  
17 Human Services and the Secretary of Agriculture may  
18 jointly enter into negotiations with any county having a  
19 population greater than 500,000 for the purpose of estab-  
20 lishing appropriate rules to govern the establishment and  
21 operation of a 5-year welfare demonstration project.  
22 Under the demonstration project—

23 (1) the county shall have the authority and  
24 duty to administer the operation within the county  
25 of 1 or more of the programs established under title

1 I or II of this Act as if the county were considered  
2 a State for purposes of such programs; and

3 (2) the State in which the county is located  
4 shall pass through directly to the county 100 percent  
5 of a proportion of the Federal funds received by the  
6 State under each of the programs described in para-  
7 graph (1) that is administered by the county under  
8 such paragraph, which proportion shall be separately  
9 calculated for each such program based (to the ex-  
10 tent feasible and appropriate) on the formula used  
11 by the Federal government to allocate payments to  
12 the States under the program. Additionally, any  
13 State financial participation in these programs shall  
14 be no different for counties participating in the dem-  
15 onstration projects authorized by this section than  
16 for other counties within the State.

17 (b) COMMENCEMENT OF PROJECT.—After the con-  
18 clusion of the negotiations described in subsection (a), the  
19 Secretary of Health and Human Services and the Sec-  
20 retary of Agriculture may authorize the county to conduct  
21 the demonstration project described in such subsection in  
22 accordance with the rules established under such sub-  
23 section.

24 (c) REPORT.—The Secretary of Agriculture and the  
25 Secretary of Health and Human Services shall submit to



1 the Congress a joint report on any demonstration project  
 2 conducted under this section not later than 6 months after  
 3 the termination of the project. Such report shall, at a min-  
 4 imum, describe the project, the rules negotiated with re-  
 5 spect to the project under subsection (a), and the innova-  
 6 tions (if any) that the county was able to initiate under  
 7 the project.

8 **SEC. 905. WORK REQUIREMENTS FOR STATE OF HAWAII.**

9 Section 485(a)(2)(B) of the Social Security Act, as  
 10 added by section 201(a), is amended by redesignating  
 11 clause (iii) as clause (iv), and by inserting after clause (ii)  
 12 the following new clause:

13 “(iii) DEEMED HOURS OF WORK.—  
 14 For purposes of subclauses (II) and (III)  
 15 of subparagraph (A)(i), ‘19 hours’ shall be  
 16 substituted for ‘20 hours’ in determining  
 17 the State of Hawaii’s work performance  
 18 rate.”.

19 **SEC. 906. REQUIREMENT THAT DATA RELATING TO THE IN-**  
 20 **CIDENCE OF POVERTY IN THE UNITED**  
 21 **STATES BE PUBLISHED AT LEAST EVERY 2**  
 22 **YEARS.**

23 (a) IN GENERAL.—The Secretary of Health and  
 24 Human Services (in this section referred to as the “Sec-  
 25 retary”) shall, to the extent feasible, produce and publish

1 for each State, county, and local unit of general purpose  
2 government for which data have been compiled in the most  
3 recent census of population under section 141(a) of title  
4 13, United States Code, and for each school district, data  
5 relating to the incidence of poverty. Such data may be pro-  
6 duced by means of sampling, estimation, or any other  
7 method that the Secretary determines will produce cur-  
8 rent, comprehensive, and reliable data.

9 (b) CONTENT; FREQUENCY.—Data under this sec-  
10 tion—

11 (1) shall include—

12 (A) for each school district, the number of  
13 children age 5 to 17, inclusive, in families below  
14 the poverty level; and

15 (B) for each State and county referred to  
16 in subsection (a), the number of individuals age  
17 65 or older below the poverty level; and

18 (2) shall be published—

19 (A) for each State, county, and local unit  
20 of general purpose government referred to in  
21 subsection (a), in 1996 and at least every 2nd  
22 year thereafter; and

23 (B) for each school district, in 1998 and at  
24 least every 2nd year thereafter.

25 (c) AUTHORITY TO AGGREGATE.—

1           (1) IN GENERAL.—If reliable data could not  
2 otherwise be produced, the Secretary may, for pur-  
3 poses of subsection (b)(1)(A), aggregate school dis-  
4 tricts, but only to the extent necessary to achieve re-  
5 liability.

6           (2) INFORMATION RELATING TO USE OF AU-  
7 THORITY.—Any data produced under this subsection  
8 shall be appropriately identified and shall be accom-  
9 panied by a detailed explanation as to how and why  
10 aggregation was used (including the measures taken  
11 to minimize any such aggregation).

12          (d) REPORT TO BE SUBMITTED WHENEVER DATA  
13 IS NOT TIMELY PUBLISHED.—If the Secretary is unable  
14 to produce and publish the data required under this sec-  
15 tion for any State, county, local unit of general purpose  
16 government, or school district in any year specified in sub-  
17 section (b)(2), a report shall be submitted by the Secretary  
18 to the President of the Senate and the Speaker of the  
19 House of Representatives, not later than 90 days before  
20 the start of the following year, enumerating each govern-  
21 ment or school district excluded and giving the reasons  
22 for the exclusion.

23          (e) CRITERIA RELATING TO POVERTY.—In carrying  
24 out this section, the Secretary shall use the same criteria  
25 relating to poverty as were used in the most recent census

1 of population under section 141(a) of title 13, United  
2 States Code (subject to such periodic adjustments as may  
3 be necessary to compensate for inflation and other similar  
4 factors).

5 (f) CONSULTATION.—The Secretary shall consult  
6 with the Secretary of Education in carrying out the re-  
7 quirements of this section relating to school districts.

8 (g) AUTHORIZATION OF APPROPRIATIONS.—There  
9 are authorized to be appropriated to carry out this section  
10 \$1,500,000 for each of fiscal years 1996 through 2000.

11 **SEC. 907. STUDY BY THE CENSUS BUREAU.**

12 (a) IN GENERAL.—The Bureau of the Census shall  
13 expand the Survey of Income and Program Participation  
14 as necessary to obtain such information as will enable in-  
15 terested persons to evaluate the impact of the amendments  
16 made by title I of the Work First Act of 1995 on a random  
17 national sample of recipients of assistance under State  
18 programs funded under part A of title IV of the Social  
19 Security Act and (as appropriate) other low income fami-  
20 lies, and in doing so, shall pay particular attention to the  
21 issues of out-of-wedlock birth, welfare dependency, the be-  
22 ginning and end of welfare spells, and the causes of repeat  
23 welfare spells.

24 (b) AUTHORIZATION OF APPROPRIATIONS.—Out of  
25 any money in the Treasury of the United States not other-

1 wise appropriated, the Secretary of the Treasury shall pay  
 2 to the Bureau of the Census \$10,000,000 for each of fiscal  
 3 years 1996, 1997, 1998, 1999, and 2000 to carry out sub-  
 4 section (a).

5 **SEC. 908. SECRETARIAL SUBMISSION OF LEGISLATIVE PRO-**  
 6 **POSAL FOR TECHNICAL AND CONFORMING**  
 7 **AMENDMENTS.**

8 Not later than 90 days after the date of the enact-  
 9 ment of this Act, the Secretary of Health and Human  
 10 Services shall submit to the appropriate committees of the  
 11 Congress a legislative proposal providing for such tech-  
 12 nical and conforming amendments in the law as are re-  
 13 quired by the provisions of this Act.



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